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FBIS-EAS-96-018 CONTENTS *26 January 1996*

NOTICE: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Japan: Hashimoto, Mondale Discuss Clinton Visit *[KYODO]* 1
Japan: Hashimoto Denies 'Secret' Nuclear Arms Accord With U.S. *[KYODO]* 1
Japan: Ikeda Negative on Immediate Cut in U.S. Troops *[KYODO]* 1
Japan: Ex-Ambassador Kuriyama on Renewal of Security Alliance *[KYODO]* 2
Japan: Accord Reached on Action Program for Bases Return *[RYUKYU SHIMPO 26 Jan]* 2
Japan: Peace Groups Protest Renewed Okinawa Live-Fire Drills *[KYODO]* 3
Japan: 'U.S. Pressure' Seen Behind Decision on Wholesaler *[NIHON KEIZAI SHIMBUN 24 Jan]* 4
Japan: Honolulu Meeting Sees 'Emerging Rift' in DPRK Leadership *[KYODO]* 4
Japan: Official Comments on Hawaii Meeting on Aid to DPRK *[KYODO]* 4
Japan: Ruling Coalition Considers Sending Mission to ROK *[KYODO]* 5
Japan: Hashimoto's Response to PRC, Taiwan Tensions *[Tokyo TV]* 5
Japan: France Says No Radioactive Leak From Bomb Tests *[ASAHI SHIMBUN 25 Jan]* 6
Tokyo Announces Plan To Develop Satellite With Germany *[KYODO]* 6
Tokyo Provides Grant for Nepal Telecom Expansion *[KYODO]* 6
Japan: BOJ Says Economy Returning to 'Recovery Trend' *[KYODO]* 6
Japan: EPA Chief on Consumer Prices Stability *[KYODO]* 7
Japan: Kubo Says Yen-Dollar Rates in 'Orderly Reversal' *[KYODO]* 7
Japan: Ministry Submits Midterm Outlook of State Finances *[KYODO]* 8
Japan: Documents Show MOF 'Directly Involved' With Jusen *[KYODO]* 8
Japan: SDP's Sato Received Donations From Mortgage Borrower *[KYODO]* 8
Japan: Kubo States Position on Jusen's Recovering Loans *[KYODO]* 9
Japan: Kajiyama on Framework of Jusen Liquidation *[KYODO]* 9
Japan: Ruling Parties Agree To Take Steps on Jusen Issue *[Tokyo TV]* 9
Japan: Toyoda Urges Quick Resolution of Bad Loans Issue *[KYODO]* 10
Japan: FTC Drafts Proposal To Lift Ban on Holding Firms *[ASAHI SHIMBUN 24 Jan]* 10
Japan: Premier Declines To Elaborate on Wartime Aggression *[KYODO]* 10
Japan: Hashimoto, Kato Agree No Election Over 'Jusen' Issue *[KYODO]* 11
Japan: SDPJ Renamed Social Democratic Party *[MAINICHI SHIMBUN 24 Jan]* 11
Japan: Kato Says LDP To Embrace 'Broader Spectrum' of People *[KYODO]* 11
Japan: Space Development Outline Urges Moon Probe *[KYODO]* 12

North Korea

DPRK: U.S., ROK 'Joint Aerial War Exercise' Denounced *[KCNA]* 12
DPRK: Commentary Takes Serious View of ROK 'Arms Buildup' *[KCNA]* 13
DPRK: Report by ROK Prime Minister Ridiculed *[KCNA]* 13
DPRK: ROK Critic Deplores Lack of 'Genuine Politician' *[KCNA]* 14
DPRK: Kim Chong-il 'Witty Remarks' Viewed as Treasure *[KCNA]* 14
DPRK: Foreign Delegations Pay Homage to Kim Il-song *[KCNA]* 15
DPRK: People Remember, Appreciate Past Great Leaders *[KCNA]* 15
DPRK Article: Peace Requires 'Anti-Imperialist Struggle' *[KCNA]* 16
DPRK: Pomminnyon Urges Greater Efforts for Reunification *[KCNA]* 16

DPRK: Pomminnyon Marks Fifth Anniversary, Stresses Unity *[KCNA]* 17
DPRK: Power Stations Increase Electricity Output *[KCNA]* 17
DPRK: Foreign Businesses Survey Najin-Sonbong Trade Zone *[KCNA]* 17
DPRK: UN Reports World Food Situation Worsens *[Pyongyang Radio]* 18
DPRK: Editorial Urges 'Singlehearted Unity' Around Party *[KCNA]* 18
DPRK: Economic Protocol Signed With Bulgaria *[KCNA]* 19
DPRK: Anniversary of Republic of India Acclaimed *[KCNA]* 19
DPRK: Greetings Sent to Speaker of State Duma of Russia *[KCNA]* 19
DPRK: Greetings Sent to Australian Prime Minister *[KCNA]* 19

South Korea

ROK Paper Discusses New U.S. 'Nuclear Ambassador' *[HANGYORE SINMUN 26 Jan]* 20
ROK Official on U.S. Probing Circumvention by TV Makers *[THE KOREA TIMES 25 Jan]* . 20
DPRK's UN Envoy Meets With Former U.S. President Carter *[YONHAP]* 21
ROK Daily Analyzes U.S. Policy on Rice Aid to DPRK *[CHOSON ILBO 26 Jan]* 21
ROK Paper Urges U.S., Japan To Pressure DPRK *[SEOUL SINMUN 22 Jan]* 22
ROK Holds Meetings With U.S., Japan on Aid to DPRK *[Seoul TV]* 22
ROK Deputy Premier: U.S., Japan Understand ROK Aid Policy *[YONHAP]* 23
ROK, U.S., Japan Agree on DPRK Aid Issue *[YONHAP]* 23
New ROK Unification Minister on Rice Aid to DPRK *[Seoul Radio]* 24
ROK Red Cross Asks To Participate in ICRC Plan for DPRK *[Seoul Radio]* 24
ROK Expresses Interest in Japan-DPRK Group Head *[YONHAP]* 24
ROK: Najin-Sonbong Development Due to 'Kim Il-song's Behest' *[CHOSON ILBO 26 Jan]* 25
ROK: Joint-Venture Business Activities in DPRK Analyzed *[CHOSON ILBO 23 Jan]* 25
ROK: PRC Underground Organizations Behind Illegal Entries *[THE KOREA HERALD 20 Jan]* 26
PRC Envoy to ROK: China 'To Induce' Foreign Investment *[YONHAP]* 27
ROK Ministry Urges Russia To Compensate for KAL 007 Deaths *[YONHAP]* 27
ROK Editorial Urges Preparation for 'Competition Round Era' *[KYONGHYANG SINMUN 25 Jan]* 28
ROK Prime Minister Gives 1996 Policy Speech *[Seoul TV]* 28
ROK: Yi Hoe-chang Holds News Conference on Joining NKP *[YONHAP]* 34
ROK: Opposition Reacts to Yi Hoe-chang Joining NKP *[THE KOREA TIMES 23 Jan]* 35
ROK: Entry of 'Heavyweights' Into NKP Analyzed *[THE KOREA HERALD 23 Jan]* 35
ROK Article Views Repercussions of Yi's Joining NKP *[THE KOREA TIMES 24 Jan]* 36
ROK: Issue of Kim Yong-sam Successor Interests NKP *[YONHAP]* 37
ROK: Opposition's Kim Tae-chung Speaks in Pusan *[THE KOREA HERALD 23 Jan]* 38
ROK: Chon Tu-hwan Court Challenge 'Small Victory' *[THE KOREA HERALD 19 Jan]* 39
ROK Finance, Economy Ministry on Major Plans for 1996 *[THE KOREA TIMES 16 Jan]* 40
ROK Switching System Manufacturers in 'Fierce' Battle *[THE KOREA TIMES 24 Jan]* 40
ROK 'Chronic Deficit Makers' Yield Profits in 1995 *[THE KOREA TIMES 25 Jan]* 41
ROK NSA Statistics on South Korean Standard of Living *[YONHAP]* 42

SOUTHEAST ASIA

Burma

Cambodian Foreign Minister, Delegation Arrive in Rangoon *[Rangoon TV]* 43
High-Level Singaporean Delegation Arrives in Rangoon *[Rangoon Radio]* 43
Burmese Official Receives Singapore Delegation *[Rangoon Radio]* 43
Singapore Minister Pledges Economic Help to Burma *[Singapore Radio]* 44
Burma: Three Singapore Investment Projects Launched *[THE STRAITS TIMES 25 Jan]* 44
Burma: Panel of Chairmen Concludes Reports at Plenary Session *[Rangoon Radio]* 45
Burma: Local SLORC Files Suits Against NLD *[BurmaNet News]* 45

Burma: SLORC Amends City Development Law *[Rangoon TV]* 45
Burma: Maung Par Appointed Deputy Mayor of Rangoon *[Rangoon TV]* 46
BURMA: Politicians Threatened Over Dialogue Letter *[BurmaNet News]* 46
Burma Reports 10,078 MTA Troops Surrender, More Expected *[Rangoon Radio]* 48
Burma: More MTA Troops Surrender With SAM-7 Missiles *[Rangoon Radio]* 48
More MTA Members Surrender to Defense Services *[Rangoon TV]* 48
Burmese Shan Exiles in Thailand Form Memorial Society *[BurmaNet News]* 49

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Daily Views Importance of Ties With Australia *[NEW STRAITS TIMES 18 Jan]* 49
Malaysia: Information Cooperation Enhanced With Jakarta *[NEW STRAITS TIMES 19 Jan]* 50
Malaysia: Arms Seized From Vietnamese Refugees Camp *[SUNDAY STAR 21 Jan]* 50
Malaysia: Mahathir on SRV Refugees Repatriation Plan *[Kuala Lumpur TV]* 51
Malaysia: Vietnamese Boat People Repatriated *[Kuala Lumpur TV]* 51
Malaysia: Remaining SRV Refugees Urged To Return Home *[Kuala Lumpur International]* 51
Malaysia: Performance of Manufacturing Sector Reported *[NEW STRAITS TIMES 23 Jan]* 52

Singapore

Singapore: Nation Said Russia's Third Foreign Investor *[BUSINESS TIMES 24 Jan]* 53
Singapore Daily Views Possible Nuclear Threats in ASEAN *[BUSINESS TIMES 23 Jan]* 53
Singapore: Goh Urges Regional Position Through Strong Economy *[THE STRAITS TIMES 22 Jan]* 54

Cambodia

Cambodia: Accused Trafficker Defends Self in Open Letter *[KAOH SANTEPHEAP 21-22 Jan]* 55
Cambodia: Troops Launch Campaign Against Khmer Rouge Stronghold *[REAKSMEI KAMPUCHEA 26 Jan]* 56
Cambodia: Minister Responds to Negative Editorial on Cambodia *[THE CAMBODIA TIMES 7-13 Jan]* 56
Cambodia: Actions Taken at CPP Meeting Reported *[SAPORDAMEAN SEREIPHEAP THMEI 13 Jan]* 57
Cambodia: Commentary Castigates Hun Sen's Boastful Remarks *[SAPORDAMEAN SEREIPHEAP THMEI 13 Jan]* 58
Cambodia: PGNUNS 'Minister' Interviewed on SRV Incursions *[Radio VGNUFC]* 58
Cambodia: KNP Leader Returns, Holds News Conference *[MONEAKSEKA KHMER 16-17 Jan]* 60
Cambodia: Sources of Funds for Hun Sen's Projects Listed *[SAMLENG YUVEAKCHON KHMER 14-15 Jan]* 61
Cambodia: Khmer Rouge Gives Detailed Report of Claimed Victory *[Radio VGNUFC]* 62
Cambodia: Report of Assassination Plot Against Hun Sen Examined *[ODDAMKEAKTE KHMER 22-23 Jan]* 62

Indonesia

Indonesia: Suharto Hosts Banquet for Canada's Prime Minister *[ANTARA]* 63
Indonesia: Minister Briefs Media on Suharto-Chretien Talks *[Jakarta Radio]* 63
Indonesia: Military Captures Six-Member GPK-Fretilin Team *[ANTARA]* 64
Indonesia: OPM Activities, Current Status, Struggles Reviewed *[GATRA 20 Jan]* 65
Indonesia: Radio Contact With Irian Jaya Abductors Stopped *[ANTARA]* 66
Indonesia: Rebel Leader Passes Political Documents to Mediators *[ANTARA]* 66

Laos

LAOS: PRC Group From Yunnan Province Visits *[KPL]* 67

LAOS: Cross-Border Transport Services Inaugurated With China *[KPL]* 67
LAOS: Defense, Security Agreement Signed With SRV Province *[Vientiane Radio]* 67

Philippines

Philippines: Navy Exchanges Gunfire With Possible PRC Vessels *[Quezon City Radio-TV]* ... 68
Philippines: Ramos Confirms Assassination Plot Against Him *[PNA]* 68
Philippines: President Denies Move Toward Martial Law *[PNA]* 69
Philippines: Army Chief Reports on Operations Against Rebels *[MANILA BULLETIN 23 Jan]* 70
Philippines: Amendment to Revised Penal Code Proposed, Explained *[BUSINESS WORLD 25 Jan]* 70
Philippines: Police Informer's Statements Considered Vague *[Quezon City Radio-TV]* 72

Thailand

Thailand: Police Blamed for 'Hurried' Extradition of Thanong *[THAILAND TIMES 23 Jan]* .. 72
Thai Article Views Burmese Khun Sa's 'Deals' With Rangoon *[BANGKOK POST 26 Jan]* ... 73
Thai Article on Situation of Burmese Khun Sa's Bases *[THAILAND TIMES 23 Jan]* 73
Thailand: DKBA Launches Attack on Border Village *[THAILAND TIMES 25 Jan]* 74
Thailand: Article Condems Burma's SLORC 'Brand of Peacemaking' *[THE NATION 14 Jan]* 75
Thailand: Three Issues for Asia-Europe Summit Specified *[BANGKOK POST 24 Jan]* 76
Thailand: Trust Fund for Boosting Foreign Investment Approved *[BANGKOK POST 24 Jan]* 76
Thailand: BoT To Permit Cross Investment *[THE NATION 23 Jan]* 77
Thailand: Minister Says Financial Sector Looks Abroad *[BANGKOK POST 24 Jan]* 78

Vietnam

SRV Party Secretary Receives PRC Journalists *[VNA]* 79
SRV 'Friendly' Policy in Cambodia Border Dispute Affirmed *[Hanoi Radio]* 79
SRV, France Sign Tourism Cooperation Agreement *[VNA]* 79
SRV's Vo Van Kiet Interviewed by Israeli Radio *[Jerusalem Radio]* 79
SRV Foreign Deputy Minister on Asia-EU Summit *[SAIGON GIAI PHONG 30 Dec]* 80
SRV Trade Minister Interviewed on ASEAN Summit *[SAIGON GIAI PHONG 14 Dec]* 81
SRV Political Bureau Issues Resolution on Trade 'Renovation' *[VNA]* 83
SRV: CPV Membership Increased by 190,000 Since 1992 *[VNA]* 84
SRV Party Ideology, Culture Department on Propaganda Work *[Hanoi Radio]* 84
SRV: Do Muoi Addresses Youth Conference in Hanoi *[Hanoi Radio]* 84
SRV: Ho Chi Minh City Party Committee Convenes Conference *[Hanoi Radio]* 85
SRV Paper Marks People's Army's Founding Anniversary *[QUAN DOI NHAN DAN 22 Dec]* 85
SRV Editorial on Topics for Grass-Roots Party Congresses *[NHAN DAN 27 Dec]* 86
SRV Prime Minister Meets With State Corporation Executives *[Hanoi Radio]* 87
SRV: Do Muoi Stresses Importance of Industrialization *[Hanoi International]* 87
SRV: Central Television Plans To Increase Broadcasting *[VNA]* 88
SRV Red River Agricultural Targets Set *[VNA]* 88
SRV National Meeting Addresses Fight Against Social Vices *[VNA]* 89

AUSTRALASIA

New Zealand

New Zealand Governor General Chided for 'Political Statements' *[THE PRESS 18 Jan]* 90

Japan

Japan: Hashimoto, Mondale Discuss Clinton Visit

OW2601133396 Tokyo KYODO in English
1231 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Prime Minister Ryutaro Hashimoto and U.S. Ambassador to Japan Walter Mondale agreed Friday [26 January] to cooperate in ensuring a successful visit by U.S. President Bill Clinton to Japan in mid-April, a Foreign Ministry official said.

During Mondale's 30-minute courtesy call on Hashimoto to congratulate him on becoming premier Jan. 11, Hashimoto stressed the importance of the Japan-U.S. security alliance.

So that during the April 16-18 visit he and Clinton can release a joint statement reaffirming the importance of bilateral security arrangements, the prime minister asked Mondale to cooperate with his efforts in responding to requests from Okinawa Prefecture that U.S. military bases there should be cut, the official said.

Mondale expressed his country's readiness to work for a successful Clinton visit through preparation of documents and bilateral discussions on the issue of U.S. bases in Okinawa.

Many Japanese people have questioned the security alliance following the rape of a schoolgirl in Okinawa last September, for which three U.S. servicemen are on trial.

The official quoted Mondale as saying Clinton is looking forward to meeting Hashimoto and the United States is preparing to make the visit a substantial one.

Referring to bilateral trade rows, such as over photo film and computer chips, the ambassador said he would cooperate with Hashimoto to make sure such matters will not damage Clinton's visit.

Clinton canceled a scheduled visit to Japan in October due to a federal financial crisis.

Japan: Hashimoto Denies 'Secret' Nuclear Arms Accord With U.S.

OW2601070296 Tokyo KYODO in English
0610 GMT 26 Jan 96

[FBIS Transcribed Text] Hashimoto flatly denied the existence of either a secret promise with the United States to allow it carry nuclear weapons to Okinawa and pass the region with such arms, or a secret Japan-U.S. deal not to clarify whether or not nuclear arms exist there.

The prime minister called the stationing of the U.S. Marine Corps in the southernmost Japanese Prefecture of Okinawa "inevitable," stating they are contributing to the maintenance of peace in Japan and the Far East.

Answering Tachiki's question whether the extension of possible Japan-U.S. joint actions would be expanded to the Asia-Pacific region, Hashimoto said there is no need for worry and any actions will be conducted within the framework of the Japan-U.S. security arrangements.

Hashimoto declined to give his view on a demand from Shigeto Nagano of the main opposition Shinshinto (New Frontier Party) that Japan lift a ban on its forces' participation in combat-related duties in UN peacekeeping activities.

Japan will study the issue based on its previous experiences in UN peacekeeping missions, he said, adding Diet debates will also be studied.

Hashimoto made the remarks in response to Nagano, who resigned as justice minister in may 1994 after only 10 days in office over his remarks suggesting the 1937 Nanjing massacre was a "fabrication."

Japan: Ikeda Negative on Immediate Cut in U.S. Troops

OW2601023596 Tokyo KYODO in English
0150 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Foreign Minister Yukihiko Ikeda said Friday [26 January] the scale of U.S. troops stationed in Japan will not be pared in the immediate future from the current 47,000.

"Both the United States and Japan share the view that it should naturally be changed if the security situation in the region drastically changes," he told a news conference.

"But I don't think the situation will turn for the better or the (U.S. military) presence will be reduced in the near future," Ikeda said.

He was referring to a remark made Thursday by a U.S. diplomatic source in Tokyo suggesting the U.S. will scale down its troops in Japan if the situation surrounding the Korean peninsula improves.

A possible reduction in the U.S. military presence in Japan has been called into question since the rape of a 12-year-old schoolgirl in the southernmost island prefecture of Okinawa last September, for which three U.S. servicemen are on trial.

Japan: Ex-Ambassador Kuriyama on Renewal of Security Alliance

OW2601065396 Tokyo KYODO in English 0603 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Japan and the United States should reaffirm the importance of the bilateral security alliance when U.S. President Bill Clinton visits Japan in April, former Ambassador to the U.S. Takakazu Kuriyama said Friday [26 January].

"In this era of transition, it is imperative for the people in both countries to share the need to maintain the Japan-U.S. Security Treaty and its key pillar of the U.S. military presence," he told a press luncheon.

Clinton is scheduled to pay a state visit to Japan on April 16-18, when he and Prime Minister Ryutaro Hashimoto are expected to issue a joint statement reaffirming the importance of the bilateral security regime.

The bilateral relationship has been shaken by outrage in Japan over the rape of a 12-year-old schoolgirl in Japan's southernmost prefecture of Okinawa in September, for which three American servicemen are on trial.

Kuriyama, a former vice foreign minister, returned to Japan in late December after three years and nine months as ambassador to the U.S. He was succeeded by Kunihiko Saito, another vice foreign minister.

Japan: Accord Reached on Action Program for Bases Return

OW2601065196 Naha RYUKYU SHIMPO in Japanese 26 Jan 96 Morning Edition p 1

[FBIS Translated Text] The second meeting of a liaison council for forming international urban communities was held at the prefectural government building on 25 January, to explain to city and town mayors the prefectural government's draft action program for return of U.S. military facilities, based on the prefecture's idea for forming and improving international urban communities. The participants generally approved of the draft program. Now that an agreement has been reached, the prefectural government will present the draft at an executive council meeting of the central and prefectural governments for Okinawan base issues on 30 January and will ask the central government to map out a plan for return of the military bases. Moreover, Kin town, which received a prior explanation, called on the prefectural government to revise the timetable for return of three military facilities — Blue Beach (from the second stage to the first), and Red Beach training ground and Camp Hansen (from the second stage to the third). Because of this, changes were made to the prefectural government's proposal, which now calls for return of nine facilities instead of eight during the first stage; 14 facilities instead of 17 during the second stage; and 18 facilities instead of 16 during the third stage.

The council meeting was attended by mayors, deputy mayors, and other officials of 46 cities and towns across the prefecture except for seven cities and towns, including Hirara city. At the meeting, the prefectural government's senior officials in charge, including Vice Governor Yoshimoto, explained in details the draft of action program, schedules of negotiations with the central government, and other plans for attainment of the same draft proposal.

During a question-and-answer session on the prefectural government's draft, Mayor Gibo of Urasoe city and other participants praised the plan, saying, "We would like to pay our respects to the unprecedented draft plan, which takes the 21st century into consideration." At the same time, they also pointed out, among other things, the following views: "There is no actual financial support for realizing the plan." "New legislative measures are needed to secure a budget for the base land utilization projects." "No coordination has been done with central government organs, including the Japan-U.S. Joint Committee, regarding plans for return of the military bases."

Moreover, some participants asked the prefectural government to extend the term of the plan, saying, among other things, that "the land used as U.S. military bases on Okinawa is too vast for us to map out plans for its return and utilization in a short period of 20 years." "The time frame and contents of the plan are too rough and were formed too quickly." "We need to talk more about the details, because the cities and towns are in different circumstances."

At a news conference held after the meeting, Kacho Hanashiro, chief of the prefectural government's Planning and Development Department, said: "Various opinions were expressed. However, we agreed in general on the prefectural government's proposal." The prefectural government wants to continue final coordination with cities and towns, where the military bases are located, until immediately before the 30 January executive council meeting. [The following chart is attached to the action program draft.]

Targeted Time Frame	No. of Facilities	Facility Name
1st stage (A Division)(present - 2001)	9	1) Naha harbor facility 2) Futenma Air Station 3) Engineering unit office 4) Camp Kuwae (part of facilities) 5) Yomiran Air Field 6) Chibana Site 7) Binbaru training field 8) *Kin Blue Beach training Field 9) Okuma Rest Center
2nd stage (B Division) (2002 - 2010)	14	1) Makiminato Fuel Depot 2) Awase Communications Facililty 3) Camp Zukeran 4) Camp Kuwae 5) Sobe Communications Station 6) Torii Comminications Station 7) Senama Communications Facility 8) Camp Courtney 9) Camp McTureous 10) Mt. Yae Communications Station 11) Gesashi Communications Station 12) Aha Training Field 13) Hokubu Training Field 14) Henoko Powder Dump
3rd stage (C Division) (2011 - 2015)	18	1) Kadena Air Field 2) Kadena Powder Dump 3) Camp Shields 4) Tengan Wharf 5) Army Oil Storage Facility 6) White Beach Region 7) Ukibaru Island Training Field 8) Tsuken Island Training Field 9) Camp Shwarb 10) *Camp Hansen 11) *Red Beach Training Field 12) Ie Island Auxiliary Air Field 13) Torishima Firing & Bombing Field 14) Desajima Firing & Bombing Field 15) Kumejima Firing & Bombing Field 16) Obi Firing & Bombing Field 17) Akao Firing & Bombing Field 18) Oki Daitou Firing & Bombing Field
	Total 41	

There are 40 U.S. military facilities in Okinawa. However, since the return of Camp Kuwae is divided between the 1st and 2nd stages, the total on this table is 41. * indicates facilities for which a change has been made.

Japan: Peace Groups Protest Renewed Okinawa Live-Fire Drills

OW2601044196 Tokyo KYODO in English 0328 GMT 26 Jan 96

[FBIS Transcribed Text] Naha, Japan, Jan. 26 KYODO — The U.S. Marine Corps stationed in Okinawa Prefecture held live fire artillery exercises at Camp Hansen on Friday [26 January] for the first time this year.

The drills, often protested by local residents, have not been held since December 12, when they lasted for four days.

The artillery exercises involving fire of live ammunition across prefectural highway 104 and against the hills on the camp grounds required a 3.7-kilometer stretch of the highway be closed during the drill.

Friday's drill will last until evening the same day.

Peace groups from the prefecture held a protest rally outside the entrance to the base.

The drills are conducted for a total of some 35 days a year. It was the 165th such drill since 1973.

The Okinawa Prefectural Government has frequently requested the Japanese and U.S. Governments to end the drills.

The Japanese Government is considering a proposal to shift such drills to the mainland Japanese islands, but so far, other local governments have opposed the use of any alternative sites named for consideration.

Opposition to the presence of U.S. bases in Okinawa, Japan's southernmost island prefecture, has increased recently, following the rape of an Okinawa schoolgirl last September for which three U.S. servicemen are currently on trial. Citizens have demanded a reduction of the U.S. military presence in the prefecture since the rape incident.

Japan: 'U.S. Pressure' Seen Behind Decision on Wholesaler

OW2601021796 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Jan 96 Morning Edition p 5

[FBIS Translated Text] U.S. pressure is behind the decision of the Ministry of International Trade and Industry [MITI] to issue a strict administrative guidance under the Large Retail Stores Law [Daitenpo] to a wholesaler, Akachan Honpo Company.

Toys 'R' Us, which asked MITI to investigate Akachan Honpo, has a history of lobbying the U.S. Government for abolition of the Daitenpo and is known for its past political activities.

It seems that because of the upcoming Japan-U.S. summit meeting in April, MITI feared that "an ambiguous solution may become a new source of friction between Japan and the United States."

However, this decision has serious implications for domestic businesses. Quite a number of wholesalers have gone into the retail business in a manner similar to Akachan Honpo. Entering the retail business is an effective way to survive in the distribution sector, which is increasingly doing away with wholesalers. The MITI decision means that wholesalers will have fewer options in this area.

Consumers also welcome the new marketing structure represented by Akachan Honpo. Strong opposition is therefore expected from wholesalers and consumers.

MITI did not order Akachan Honpo to suspend business operations immediately, and gave it a certain probation period to restructure its shops, probably in consideration of the impact on consumers and the distribution sector as a whole.

Japan: Honolulu Meeting Sees 'Emerging Rift' in DPRK Leadership

OW2501152096 Tokyo KYODO in English 1455 GMT 25 Jan 96

[FBIS Transcribed Text] Honolulu, Hawaii, Jan. 24 KYODO — Senior officials from Japan, South Korea and the United States agreed Wednesday [24 January] there is an emerging rift in the North Korean leadership as an increasingly assertive military counters the country's diplomats.

U.S. Assistant Secretary of State Winston Lord told South Korea's Pan Ki-mun that he gained the impression in recent talks with North Korean officials that military leaders and the Foreign Ministry in Pyongyang were divided over foreign policy-making, said sources close to the bilateral meeting.

Lord was referring to talks recently held in Honolulu on the return of remains of U.S. servicemen who were killed in the 1950-1953 Korean war. South Korea's YONHAP NEWS AGENCY quoted Lord as saying the North Korean negotiators first proceeded smoothly, but then broke up the meeting suddenly in the final phase.

Pan submitted to the U.S. delegation a report on the food situation in North Korea and urged the U.S. not to make major contributions without a "correct assessment" of the reported food shortage, YONHAP said.

"We cannot tolerate it if Washington promotes the provision of a large amount of food to North Korea without any consultation with Seoul," Pan was quoted as saying.

Lord, Pan and Shunji Yanai, deputy foreign minister of Japan, have gathered here to discuss and coordinate policies concerning the Korean Peninsula in a series of bilateral talks Wednesday and a plenary session Thursday.

Pan and Yanai in their meeting also concluded that the North Korean military has expanded its influence on the country's politics although neither side has concrete evidence for such a development, Japanese delegation sources said.

Both officials judged as "unprecedented" a statement by a North Korean Foreign Ministry spokesman made Saturday which said the country's military suspects that foreign humanitarian assistance in connection with a flood disaster "might be misused by hostile forces to coax us into 'reform' and 'opening'."

They also concurred that the North's de facto leader Kim Chong-il is apparently in charge despite his not having officially succeeded his deceased father Kim Il-song in the two top posts of head of state and leader of the ruling Workers Party of Korea.

A Japanese Government source said Tokyo would not provide further rice shipments "just because there is talk that the North's food situation is serious."

"We do not yet have a full grasp of all the facts relating to the issue," the source said.

Japan: Official Comments on Hawaii Meeting on Aid to DPRK

OW2601115996 Tokyo KYODO in English 1126 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Japan, South Korea and the United States agreed during their two-day subcabinet-level meeting in Hawaii which ended Thursday [25 January] that North Korea's food shortage is serious, a Foreign Ministry official said Friday.

However, they failed to hammer out a joint position on food aid to North Korea, which was badly affected by devastating floods last summer, the official told reporters.

While apparently anxious to provide emergency assistance, the U.S. made it clear during the Hawaii meeting that it has not yet made a final decision, the official said.

The U.S. also said that its planned food aid is not as massive as the aid given by Japan and South Korea last year.

The gathering brought together Japanese Deputy Foreign Minister Shunji Yanai, South Korean Deputy Vice Foreign Minister for Political Affairs Pan Ki-mun and U.S. Assistant Secretary of State For East Asian and Pacific Affairs Winston Lord.

"They confirmed once again the commitment of the three countries to make joint efforts for the reduction of tension on the Korean peninsula," said a joint statement released in Honolulu and distributed in Tokyo.

The document also said Tokyo, Seoul and Washington "reaffirmed their belief that the resumption of North-South dialogue is essential and agreed to continue their efforts to realize this goal."

South Korea hopes that Tokyo and Washington will maintain close ties with Seoul in forming their North Korean policies, according to the official.

Japan told the Hawaii meeting its negotiations to normalize relations with North Korea have been suspended since November 1992 and no specific time is set for resumption of talks.

Japan, South Korea and the U.S. agreed on the need to ask other countries for additional financial support for an international consortium set up to provide Pyongyang with modern nuclear reactors in exchange for the North dismantling its current nuclear program.

The three nations are the primary members of the Korean peninsula Energy Development Organization, which was launched in March 1995 to undertake the 4.5 billion dollar light-water reactor project.

At the Hawaii meeting, the three nations' representatives decided to meet again "within a few months" to further coordinate and strengthen policy on Korean peninsula issues.

Japan: Ruling Coalition Considers Sending Mission to ROK

OW2501130996 Tokyo KYODO in English 1142 GMT 25 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 25 KYODO — The tripartite ruling coalition is considering sending a mission to South Korea in the hope of creating an environment for resuming intergovernmental talks on establishing bilateral diplomatic ties with North Korea, coalition sources said Thursday [25 January].

The mission is being proposed by the head of the Liberal Democratic Party's policy-making panel, Taku Yamasaki, with a view to alleviating Seoul's concerns about diplomatic contact between Tokyo and Pyongyang in the absence of South Korea, they said.

Faced with an acute food shortage caused by last year's flooding, North Korea has called on Japan to provide more rice and resume talks on normalizing bilateral ties.

But South Korean Ambassador to Japan Kim Tae-chi urged Japan on Wednesday to use caution in its response to the North Korean request for more rice, as long as there are no guarantees the rice will go to civilians.

Within the ruling coalition, there are different views on how to respond to the North Korea rice request, with some in support of rice aid from a humanitarian viewpoint but others against it on the grounds that North Korea opposes Japan gaining a permanent seat on the UN Security Council.

Under the circumstances, it remains open to question whether the mission will be realized in light of ongoing Diet debate over a controversial government plan to use 685 billion yen in taxpayers' money for the liquidation of failed housing mortgage companies.

Japan: Hashimoto's Response to PRC, Taiwan Tensions

OW2601052396 Tokyo NHK General Television in Japanese 1000 GMT 25 Jan 96

[FBIS Report] During a 30-second report on Japanese Prime Minister Hashimoto's reaction to possible hostilities in the Taiwan Strait, an NHK reporter states: Moreover, Mr. Murakami asked a question on a report that China had completed preparations for launching missile attacks against Taiwan. In response, Prime Minister Hashimoto said as follows. China has been saying clearly that it would not rule out the possibility of using arms against foreign interference in unification, and the Taiwan conspiracy for Taiwan independence. Japan has not received information on the immanent use of force.

We strongly hope that the Taiwan issue will be settled peacefully between the parties concerned.

Japan: France Says No Radioactive Leak From Bomb Tests

OW2501171696 Tokyo ASAHI SHIMBUN in Japanese 25 Jan 96 Morning Edition p 2

[FBIS Translated Text] On 24 January, the French Government formally replied to an inquiry by the Japanese Government in reference to allegations that radioactive substances leaked during French nuclear tests in the South Pacific. It said: "No traces of radioactive iodine-131 were detected in the series of nuclear tests that were conducted after the tests were resumed in September 1995."

According to the French Government's explanation, the issue of radioactive leakage that a French nuclear expert referred to during an informal meeting in Washington last November is not about the latest series of French nuclear tests; rather, the expert referred to traces of radioactive iodine that were detected during inspections in 1987. However, the French Government failed to give a detailed explanation on such questions as why this expert touched on radioactive leakage that occurred in the past.

Tokyo Announces Plan To Develop Satellite With Germany

OW2501052296 Tokyo KYODO in English 0315 GMT 25 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 25 KYODO — The Ministry of International Trade and Industry (MITI) plans to develop a small-size experimental satellite jointly with a German Government-affiliated agency, a ministry official said Thursday [25 January].

The plan is intended to help make the domestic space industry competitive in international satellite markets, the official said.

The MITI and the German Space Agency will formally sign a contract on the development in the near future and will launch a first satellite which will be recovered after the completion of its mission outer space around the year 2000, the official said.

The ministry estimates total development costs at about 20 billion yen, he said.

The Japanese Government has, so far, restricted development of satellites and allowed only the National Space Development Agency to research and develop such satellites. The government's new space development policy announced Wednesday, however, virtually lifted the restriction.

Tokyo Provides Grant for Nepal Telecom Expansion

OW1901083496 Tokyo KYODO in English 0809 GMT 19 Jan 96

[FBIS Transcribed Text] Kathmandu, Jan. 19 KYODO — Japan agreed Friday to grant 46 million yen (about 438,000 dollars) for expansion of a rural telecommunications network in the northwest region of nepal, the Finance Ministry said.

Notes on the grant were signed and exchanged by Nepal's acting finance secretary, Ram Binod Bhattarai, and Japanese ambassador Shigenobu Yoshida.

The grant will be used to prepare a detailed design for a telecom network covering 11 districts in the country, a press release from the ministry said.

Rural telecom networks have already been set up in 36 out of 75 administrative districts in the kingdom with Japanese grant assistance over the past one decade, the release added.

Japan: BOJ Says Economy Returning to 'Recovery Trend'

OW2601122696 Tokyo KYODO in English 1125 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — The Bank of Japan (BOJ) said in its quarterly economic outlook issued Friday [26 January] that Japan's economy is returning to a recovery trend.

"We took one step forward in our economic judgment," said Kunihiko Takeshima, director of the BOJ's Research and Statistics Department, citing a pickup in public and housing investment, recovery in corporate capital spending and personal consumption, and improving industrial production.

In the previous outlook, the central bank said the economy remains stalled but prospects for moderate recovery in early 1996 are beginning to appear.

The Bank of Japan said the nation's economy is expected to recover initially led by public works and later move back on a moderate growth path led by private demand.

The central bank added, however, the outlook is not entirely bright, noting persisting structural adjustment pressures, a stagnant labor market weighing on consumer confidence and a possible weakening of stimulus by the latest pump-priming measures in the second half of fiscal 1996. The fiscal year begins April 1.

The basis for economic growth therefore remains weak and susceptible to external shocks such as if there is an overseas economic downturn or the yen gets stronger, it said.

"Uncertainty remains on whether the economy can fully return to the growth track," Takeshima said.

Takeshima said the central bank will continue to carefully monitor economic developments, specifically the course of private capital investment and effects on Japan's economy of overseas economic conditions.

The central bank said production and corporate profits will increase, and recovery in capital investment and individual spending will gradually gather momentum on the back of stimulus-induced demand and progressing inventory adjustment.

The inventory adjustment is likely to be completed by the end of March, while housing and public investment will continue to grow helped by record-low interest rates and effects of the pump-priming package of last September, both bracing up the economy strongly, the central bank said.

Industrial production will expand more markedly, and corporate earnings and the ratio of operating facilities will go up, spurring capital investment to replace existing plants and machinery, it said.

Strong demand in the area of telecommunications and information technology will gradually help strengthen recovery momentum in capital spending, mainly among large manufacturers, it said.

Personal consumption is also expected to recover moderately as household incomes increase in line with production, it said.

Takeshima said the central bank will maintain its current easy credit stance for the time being.

Prices are beginning to stop declining on the back of the yen's depreciation against the U.S. dollar, recovering domestic demand and restrained production, and are expected to remain stable, the central bank said.

"Fears of deflation spiral are receding," Takeshima said.

He said he does not think the yen's recent setbacks will drive up prices and generate inflationary pressure, citing stable crude oil prices and the demand-supply situation.

On the balance of payments, exports are expected to resume growth modestly, but import growth will continue to outpace export growth, further reducing the nation's current account surplus, the central bank said.

Japan: EPA Chief on Consumer Prices Stability

OW2601044496 Tokyo KYODO in English
0147 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — The head of the Economic Planning Agency (EPA) said Friday [26 January] that consumer prices are very stable and that the economy is on the verge of recovery.

"Consumer prices are very stable," said Shusei Tanaka, EPA director general, at a press conference after a cabinet meeting.

He also said that the economy has "come to a stage where recovery is within reach."

Figures released Friday show that the overall nationwide consumer price index fell an average 0.1 percentage point in 1995 from the preceding year, declining for the first time since the government began compiling consumer price data in 1971.

Japan: Kubo Says Yen-Dollar Rates in 'Orderly Reversal'

OW2601024696 Tokyo KYODO in English
0128 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — The dollar's continued rise against the yen following the recent Group of Seven (G-7) meeting is in an "orderly reversal" process of the weakness of the U.S. currency, Finance Minister Wataru Kubo said Friday [26 January].

"Under the G-7 nations' close currency policy coordination, the dollar is in an orderly reversal process (of its weakness against the yen)," Kubo said at a press conference.

"The yen-dollar exchange rates reflect the economic fundamentals of both countries," Kubo said, citing a downward trend in Japan's current account surplus and an increase in its overseas investment and loans."

In Tokyo on early Tuesday morning, the dollar was changing hands above 107 yen, compared with the approximate 105 yen level which was seen before the meeting of the top G-7 finance officials in Paris last Saturday.

Unlike the two previous G-7 meetings, the Paris meeting did not issue a joint statement calling for an "orderly reversal" of the dollar's weakness.

At the Paris meeting, however, the G-7 finance ministers and central bankers welcomed the dollar's recent upward trend against the yen and other major currencies.

Japan: Ministry Submits Midterm Outlook of State Finances

*OW2601123696 Tokyo KYODO in English
1104 GMT 26 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Japan's revenue shortfall will total 13.45 trillion yen in fiscal 1997, or nearly 30 percent of the core general expenditure of the budget, if the issue of deficit-covering bonds is stopped next fiscal year, the Finance Ministry said Friday [26 January].

The ministry submitted a medium-term outlook of state finances to the House of Representatives budget committee. It projected the extent of revenue shortfalls if the government were to stop issuing the bonds by fiscal 1997, 2000 or 2003.

Even if the bond issue is halted in seven years, state revenues will still fall 5.59 trillion yen short of expenditures in the following fiscal year, the report said.

The government could not increase core expenditures if it tried to balance the budget over the seven-year period, it added.

If the government stops deficit financing by fiscal 2000, the revenue shortfall will total 6.57 trillion yen in fiscal 1997, which would rise to 9.31 trillion yen in fiscal 1998 and 12.75 trillion yen in fiscal 1999, according to the report.

To balance the budget under this scenario, the government will have to cut core expenditures by 5 percent a year, the report said.

The report recommends reviewing the system of state expenditures and implementing radical tax reform to fill the revenue gap and bring a quick termination to the issue of deficit-covering bonds.

Until last year, the ministry's medium-term financial outlook had been calling for reducing dependence on government bonds to less than 5 percent of total revenues.

But it shifted its focus to putting an end to deficit-covering bond issuance because the ministry had to propose issuing some 12 trillion yen of such bonds, the largest issue in seven years, as part of the fiscal 1996 budget to compensate for weak revenues.

The ministry projected expenditures for the report using the fiscal 1996 budget now under parliamentary debate. It calculated tax revenues under a nominal economic growth of 3.5 percent.

Japan: Documents Show MOF 'Directly Involved' With Jusen

*OW2501122696 Tokyo KYODO in English
1134 GMT 25 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 25 KYODO — The Finance Ministry [MOF] was directly involved in the top personnel management of financially troubled housing loan companies [jusen] when they worked out initial rehabilitation programs, according to internal documents of Nippon Housing Loan Co. made available Thursday [25 January].

The documents revealed that when Nippon Housing loan prepared a rehabilitation plan in June 1992, the ministry called on the company to remove founder executives from the board and pick representative directors from retired ministry officials as well as those of Sanwa and Sakura Banks.

Nippon Housing Loan subsequently installed Kazuo Okajima, a retired senior ministry official, as chairman, and Susumu Niwa, a former Sanwa Bank managing director, as president.

Apart form Nippon Housing Loan, nine former ministry officials have become presidents of five housing loan companies.

Housing lender-related documents released Friday by the Finance and Farm Ministries referred to Nippon Housing Loan's document, stating only that the personnel changes were intended to freshen up the company's top management.

Asked why the government documents did not clearly state the Finance Ministry's involvement in personnel affairs at Nippon Housing Loan, a senior official of the ministry's Banking Bureau said the ministry only released summarized information.

Japan: SDP's Sato Received Donations From Mortgage Borrower

*OW2501130596 Tokyo KYODO in English
1224 GMT 25 Jan 96*

[FBIS Transcribed Text] Nagoya, Jan. 25 KYODO — A top ruling coalition official received 30 million yen in political donations between 1986 and 1994 from a major borrower from one of the seven mortgage companies subject to a controversial government bailout plan, according to an official document.

Social Democratic Party [SDP] Secretary General Kanju Sato got the money from the president of auto parts maker Tokai Denko and his relatives, according to a document on political funds compiled by the Aichi Prefectural election management committee.

Tokai Denko had outstanding loans of 7.4 billion yen from Jyuso Inc. last June. Jyuso is one of the seven moribund housing loan companies known as "jusen."

Sato had served as an auditor for the company for some 20 years until Wednesday [24 January] when he resigned that post, according to the company. He had received 240,000 yen a year for the post.

Seiki Asada, Sato's secretary, said Sato and the president of Tokai Denko are old friends and sato had received support from him for some time.

"But Sato has never been asked for anything related to the company and he was not aware of the massive loans from the mortgage firm," Asada said.

Japan: Kubo States Position on Jusen's Recovering Loans

OW2601044396 Tokyo KYODO in English 0254 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Finance minister Wataru Kubo said Friday [26 January] the government will keep the use of additional public finances for bad-loans caused by troubled mortgage companies [jusen] to a minimum by making the utmost effort to recover their loans.

"The government will do its best to collect loans at the housing loan companies so as not to use additional public money (to help cover losses from irrecoverable loans)," Kubo said at a press conference.

Kubo declined to show specific figures for future losses which could emerge from a new body's collection of loans at the seven virtually bankrupt mortgage companies that are to be liquidated.

"It is difficult to estimate such losses before the government does what it has to do. At present, to collect loans is a priority task," he said.

The ministry's proposed plan to deal with the future losses envisions loss liquidation costs will be split equally between the government and the private sector.

The government has already decided to use 685 billion yen of taxpayers' money to help cover initial losses resulting from the write-offs of irrecoverable loans after the liquidation of the mortgage companies.

The government previously estimated the future losses would total at least 1.24 trillion yen.

But government officials have recently avoided referring to such estimates apparently because the use of additional public funds will most likely stir up public criticism of the government's response to the bad-loan issue.

Japan: Kajiyama on Framework of Jusen Liquidation

OW2601033596 Tokyo KYODO in English 0207 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — The government framework on the liquidation of seven ailing housing loan companies [jusen] should be binding, however hard it may be to fulfill it, the top government spokesman said Friday [26 January].

Chief Cabinet Secretary Seiroku Kajiyama was apparently referring to part of a government scheme, decided in December, that public money may be used to cover future losses that could arise in the process of liquidating the housing loan firms — on top of 685 billion yen already allocated in the 1996 draft budget.

The government is drafting a second-stage disposal plan, possibly to be unveiled later Friday, which is expected to require further disbursement from the public coffers.

The planned use of 685 billion yen of taxpayers' money on the first stage of the liquidation plan has already drawn fierce fire from the public and the opposition camp.

Without resolving the problem on the troubled mortgage companies, the feelings of uncertainty and distrust toward the Japanese financial system will not disappear, Kajiyama said.

"Once we have stepped forward, if we retract the step, we will get nothing out of it," he told a press conference.

Japan: Ruling Parties Agree To Take Steps on Jusen Issue

OW2501131796 Tokyo NHK General Television Network in Japanese 1006 GMT 25 Jan 96

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] Ruling party officials charged with Diet affairs confirmed at their 25 January meeting that the parties will take positive action, such as disclosing necessary information and summoning witnesses, in connection with Diet deliberations on the bad-loans issue concerning housing loan companies [jusen]. They agreed to discuss specific measures for settling the issue at Budget Committee meetings.

Kanezo Muraoka, chairman of the Liberal Democratic Party Diet Affairs Committee, told reporters that deliberations on jusen-related bills, which are expected to be submitted to the Diet early next month, should be conducted at the Finance Committee meetings. He thus indicated there is no need to set up a new, special committee to discuss problems involving financial institutions.

Japan: Toyoda Urges Quick Resolution of Bad Loans Issue

OW2501130696 Tokyo KYODO in English 1218 GMT 25 Jan 96

[FBIS Transcribed Text] Osaka, Jan. 25 KYODO — A Japanese business leader urged the government and parliament Thursday [25 January] to press ahead with the liquidation of the nation's seven debt-ridden home mortgage lenders to prevent the economy from deteriorating further.

"The economy will be adversely affected unless the government resolves the mortgage debacle as soon as possible," Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), said at a news conference in Osaka.

The opposition camp is arguing for shelving part of the fiscal 1996 budget which includes 685 billion yen of taxpayers' money for the liquidation scheme.

Asked about the use of taxpayers' money, Toyoda said he basically supported the use of public funds on condition that the government gain public understanding of the issue through parliamentary debate and restructuring of financial institutions.

"(The scheme) has been appreciated internationally," Toyoda said.

Japan: FTC Drafts Proposal To Lift Ban on Holding Firms

OW2601044696 Tokyo ASAHI SHIMBUN in Japanese 24 Jan 96 Morning Edition p 1

[FBIS Translated Text] The Fair Trade Commission [FTC] revealed on 23 January a draft revision it will submit to the Diet to revise the Antimonopoly Law, lifting a ban on holding companies. Saying that Article 9 of the Antimonopoly Law "forbids establishment of holding companies, which create excessive concentration of business control" in the hands of a single entity, the FTC will revise the current "total ban" to reflect a policy of "assuming no regulations in principle and retaining regulations only in exceptional cases." A procedural regulation obliges holding companies to notify the FTC if their total assets exceed 500 billion yen; yet even big companies will actually be able to establish holding companies freely because they will be allowed to notify the FTC after their assets exceed that amount. So far, the FTC has said it would give partial approval for only four types of holding companies — including those that maintain complete ownership of subsidiaries and those that own financial institutions. However, facing pressure from the Liberal Democratic Party and economic circles, the FTC has changed its policy significantly.

Final coordination of the draft is being done within the government. The FTC will finalize the draft while combining it with organizational reforms, including a decision to upgrade its administrative office [jimukyoku] to a general administrative office. It is highly possible that the ban on holding companies, a foundation of Japan's postwar measures to encourage competition, may collapse; and liberalization of holding companies may be introduced without in-depth discussions.

As for the Antitrust Law, the ban on financial institutions' establishing holding companies will be lifted completely if the principle of assuming no regulations is approved. In the future, financial institutions may also be automatically allowed to establish holding companies if financial system reforms expand the scope for companies in different businesses to join in forming holding companies.

Currently, Article 9-1 of the Antitrust Law imposes a total ban on establishing holding companies, stating that "holding companies shall not be formed." The draft proposes changing Article 1 of the Antitrust Law to approve formation of holding companies as long as they do not become a hindrance to the "intent" of the article — "avoiding excessive concentration of business control."

Regarding procedures for establishing holding companies, the FTC will set a limit to be applied only to holding companies whose value is based on the overall assets of the companies planning to place their operations under the holding companies'control. About 200 listed companies have total assets exceeding 500 billion yen.

No limit will be applied to companies whose assets are less. Regulations will be eased for companies whose assets exceed 500 billion yen, too, in that they will not need to obtain approval from the FTC to establish holding companies.

Japan: Premier Declines To Elaborate on Wartime Aggression

OW2601045696 Tokyo KYODO in English 0435 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Prime Minister Ryutaro Hashimoto declined to air his view Friday [26 January] as to whether or not Japan waged a war of aggression in Asia, as he responded to interpellations at a House of Councillors plenary session.

Hashimoto said it is "difficult" to assert the characteristic and aim of Japan's role in World War II because, he said, situations were complicated and there are various arguments.

But he pledged that Japan will contribute to world peace, based on "reflection" that it has caused "grief and suffering" and "damage and pain" to many people in Asia, responding to questions from Hiroshi Tachiki of the opposition Japanese Communist Party.

The prime minister said Tokyo will "keep on squarely looking at the past in relation with Asia" and seek friendship with countries in the region.

Some Asian people worry if Hashimoto is inclined to justify Japan's wartime aggression in the region.

Hashimoto, 58, showed a positive stance on Japan's bid to win permanent membership in the UN Security Council, in response to Maki Murasawa of the ruling coalition partner Social Democratic Party (SDP).

"We intend to deal with the issue through efforts to gain support from more countries and understanding from the Japanese people," Hashimoto said, citing an uptick in the approval rate among the Japanese public for the Security Council bid.

Japan has not changed its stand to seek a permanent seat in the council under the premises that Japan will not resort to force, he said.

Shortly before he assumed the premiership Jan. 11, the tripartite ruling alliance of Hashimoto's Liberal Democratic Party (LDP), the SDP and New Party Sakigake [Harbinger] adopted a new policy accord stating the coalition will deal with the issue cautiously.

Hashimoto vowed to continue "taking every opportunity" to urge China and France to stop nuclear testing.

He said France has denied to Japan that there was any radioactivity leakage, as has been reported, from its recent round of nuclear tests in the South Pacific.

The prime minister promised efforts to help dialogue begin between North and South Korea to promote their peaceful reunification.

Hashimoto also denied that the government proposal to use 685 billion yen of taxpayers' money to liquidate seven failed housing loan companies was made in order to reduce expenses by creditor financial institutions affiliated with agricultural organizations, a strong support base of the LDP.

Japan: Hashimoto, Kato Agree No Election Over 'Jusen' Issue

OW2601150696 Tokyo KYODO in English 1449 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Prime Minister Ryutaro Hashimoto and a key coalition leader agreed late Friday [26 January] not to dissolve the Diet for a snap general election over a controversial government scheme to use taxpayer money to wind up crippled mortgage companies or "jusen."

The agreement came at a two-and-a-half-hour tete-tete between Hashimoto and Koichi Kato, secretary general of Hashimoto's Liberal Democratic Party, at a Tokyo restaurant, party sources said.

Hashimoto and Kato also shared the view that the government should implement the scheme without any change under the fiscal 1996 state budget, the sources said.

The scheme calls for the government to set aside 685 billion yen in taxpayer money to liquidate seven housing loan companies saddled with mountains of bad loans.

Hashimoto and Kato also agreed to maintain close contact with the U.S. in resuming negotiations talks with North Korea on normalizing bilateral ties, the sources said.

Japan: SDPJ Renamed Social Democratic Party

OW2501014796 Tokyo MAINICHI SHIMBUN in Japanese 24 Jan 96 Morning Edition p 2

[FBIS Translated Text] At a meeting of its executive officers on 23 January, the Shakai Minshuto [Social Democratic Party of Japan] decided to change its English name to "Social Democratic Party (SDP for short)."

Since the time [1991] this party was still known as Shakaito, its English name has been "Social Democratic Party of Japan (SDPJ for short)." However, because the British Labor Party and other similar parties do not have the country name in their party names, Shakai Minshuto decided to delete "of Japan" from its name.

Japan: Kato Says LDP To Embrace 'Broader Spectrum' of People

OW2501122896 Tokyo KYODO in English 1152 GMT 25 Jan 96

[FBIS Transcribed Text] Fukushima, Japan, Jan. 25 KYODO — Liberal Democratic Party (LDP) Secretary General Koichi Kato fished for votes among workers Thursday [25 January] as he addressed a major labor organization.

"A party that does not understand the need to become a party that integrates the opinions of working people and consumers has no future," Kato said in suggesting that the LDP, a traditional ally of major business corporations, must boost its appeal to workers.

Kato is the first LDP leader ever to be invited to speak at a central committee meeting of the 765,000-member Japanese Electrical Electronic and Information Union, a longtime backer of the Social Democratic Party (SDP).

"We have to spread our wings to embrace a broader spectrum as a party of the people," he said. Kato's remarks are seen as an effort to enlist workers' support for the ruling coalition of the LDP, SDP and New Party Sakigake [Harbinger] as it prepares for a showdown with the main opposition party Shinshinto (New Frontier Party) in the next general election.

He openly urged the unionists to vote for the LDP "if there is no SDP candidate." "If you have the chance, please do also support the LDP," Kato said.

His appeals did not fall on deaf ears as Yasuo Iwayama, who heads the union, said "I think the time has come for us to consider establishing a place for broad and flexible policy debate," suggesting that the union should lend its support to a broader political spectrum than in the past.

But he also said the union will not allow a revival of the LDP's single party rule that shaped Japanese politics for almost four decades.

Iwayama is the second leader of an SDP-affiliated labor union to tone down opposition to the conservative LDP, which was the SDP's archrival for most of the postwar era before forming a coalition government in June 1994.

The first union within the Japanese Trade Union Confederation (Rengo) to make an about-face was the Japan Telecommunications Workers Union, which abandoned its strictly anti-LDP course last August.

The electrical workers union had previously pledged to back efforts to form a new liberal political force with the SDP at its core, while taking a neutral stance toward Shinshinto.

Japan: Space Development Outline Urges Moon Probe

OW2401043796 Tokyo KYODO in English
0227 GMT 24 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 24 KYODO — The government's new space development policy calls for Japan to launch its own probe of the moon but also urges more economical space activities, a Science and Technology Agency panel said Wednesday [24 January].

The new fundamental policy of Japan's space development claims the nation's space technology is now on world levels and calls for new research and development in the field.

The policy has been revised for the first time in six and a half years by the Space Activities Commission, headed by agency chief Hidenao Nakagawa, to set basic guidelines for the next 10 years.

It argues that Japan's own mission to the moon should serve as the first step toward expanded manned space activity, calling for a program for step-by-step research through unmanned missions to study the moon's geological and mineral conditions.

The policy envisages an international project to build an astronomical observatory on the moon, supported by Japanese technology.

The centerpiece for less costly space activities should be the development of an advanced model of the H-2 rocket that can be launched at 8.5 billion yen, less than half the 19 billion yen expense of the current model, according to the revised space policy.

In order to cope with the expected demand for space transportation in the future, the policy also advocates development of reusable rockets and space planes.

North Korea

DPRK: U.S., ROK 'Joint Aerial War Exercise' Denounced

SK2601043896 Pyongyang KCNA in English
0426 GMT 26 Jan 96

["War Exercises Against North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — The U.S. imperialist warmaniacs and the South Korean puppets on January 24 let more than 620 fighters fly in the sky above the West Sea [Yellow Sea] and East Sea [Sea of Japan] of the Korean peninsula for a joint aerial war exercise simulating a preemptive attack on the northern half of Korea, according to military sources.

On January 22 and 23, another joint aerial war exercise aimed at preemptive attack on the North was held in the sky above Tokjok Islet, Wonju and Sangdong areas.

Involved in the war exercise were 650 fighter bombers and assault planes belonging to the U.S. Seventh Air Force and the puppets' air force, joined by scores of planes of the U.S. Pacific Fleet.

On January 23, the South Korean puppets took combat positions in Yonchon County, Kyonggi Province, and

Chorwon and Inje Counties, South Korean Kangwon Province, and fired guns, machine guns and automatic rifles.

On the same day the South Korean puppets brought heavy weapons and heavily-armed soldiers into the Demilitarized Zone (DMZ) south of the central sector of the front, who threatened the lives of the soldiers of the People's Army on their routine duty.

The U.S. imperialist warmaniacs and the Kim Yong-sam fascist clique should not run amuck, mindful that confrontation and war moves cannot be a measure to bridge over the crisis, but precipitate their destruction.

DPRK: Commentary Takes Serious View of ROK 'Arms Buildup'

SK2601045396 Pyongyang KCNA in English 0432 GMT 26 Jan 96

["What Is S. Korea's Arms Buildup For?" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — The South Korean puppets have purchased antisubmarine patrol planes P-3C from the United States, raising the indication that their arms buildup has reached a very reckless stage, says NODONG SINMUN in a commentary today.

We take a serious view of their arms buildup, the paper says, and continues:

The intensive arms buildup by the Kim Yong-sam group is apparently amid at an invasion of the North. This an unbearable challenge to and provocation against the North, which has made all sincere efforts for the peace and peaceful reunification of the country, and is also a never-to-be-condoned anti-national, antipeace and antireunification criminal act to put the nation on the altar of outside forces' nuclear war.

It has become all the clearer that the Kim Yong-sam group, which have been put in hot water over the slush fund scandal, are seeking a way out of their crisis in a war against the North.

They must know that their arms buildup aimed at the North will bring them nothing but ruin.

If the warmongers continue arms buildup and warlike preparations against the North, ignoring its repeated warnings, they will have to pay dearly for them.

DPRK: Report by ROK Prime Minister Ridiculed

SK2601094196 Pyongyang KCNA in English 0926 GMT 26 Jan 96

["Sophism Reverting Black and White" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — The puppet prime minister of South Korea, Yi Su-song, reportedly made a "report on the state policy" at the "plenary session of the National Assembly" on Thursday.

His "report" is not worthy of mentioning as it is based on a reversed sense of value and logic. However, we cannot but comment on it because the one-time "intellectual" tries to mislead public opinion with false remarks and runs counter to the nation's desire for reunification as soon as he becomes the puppet prime minister.

In the "report" he said there is no sign of progress in inter- Korean relations because the North is aggravating the tensions.

This is an intolerable challenge and provocation against the North, which is making every sincere effort to prevent war on the Korean Peninsula and achieve peace and peaceful reunification of the country.

This year the North reiterated its call for establishment of a pan-national confederal unified state based on the three principles of independence, peaceful reunification and great national unity and on the ten-point programme of the great unity of the whole nation.

While keeping mum about this call, Yi Su-song added fuel to the anti-DPRK smear campaign and incited confrontation. This shows that like his predecessors he is also a separatist who is after aggravation of inter-Korean relations.

His remarks remind one of a burglar sounding the burglar alarm.

It is the South Korean puppets who are aggravating the tensions with frantic arms buildup and military drills.

Yi Su-song called for "preparedness for quick action for security" and "maximum combat strength" of the puppet army.

This shows Yi is a servant of the traitor Kim Yong-sam, a bellicose element.

What is ridiculous is that Yi said "the foundation for unification would be laid by inducing the North to adopt change and reform."

It is obvious that the South Korean puppets, obsessed with the ambition for "unification by prevailing over communism," went out of mind. They were trembling with fear in face of the invincibility of the DPRK, which is advancing under the red flag of revolution on the strength of the singlehearted unity of the leader, the party and the masses.

Their ambition is a foolish dream, however.

Yi Su-song had better remember what a miserable end the successive dictators met after crying out for "unification by prevailing over communism."

The South Korean puppets, who are after North-South confrontation and against the nation's desire for reunification, will be severely judged by the nation.

DPRK: ROK Critic Deplores Lack of 'Genuine Politician'

SK2601102896 Pyongyang KCNA in English 0903 GMT 26 Jan 96

["S. Korean Critic on Corruptness of South Korean History" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — A South Korean critic Kim Song-chol released an article deploring the fact thet South Korea has been historically under the rule of kingpins of thieves, the Seoul-based radio Voice of National Salvation said.

In the article titled "I Deplore South Korea With No Genuine Politician", he noted that it is the South Korean people who, because there has been no genuine politician, have fallen victims to irregularities and injustice for a long time and even have had their right to existence harshly violated under the misrule of the cruel ruling quarters.

By laying bare the theft-backed politics pursued by the successive "presidents" of South Korea, he pointed out that corrupt politics is getting more rampant rather than disappearing. An unjust and decayed gang of pro-Japanese and pro-American traitors, dictators and misers are reigning over the people.

"The situation is the same under the civilian-veiled Kim Yong-sam regime," the article said.

"Kim Yong-sam, a civilian-veiled dictator branded as an evil man, will be punished by the nation and history and go to his doom as the preceding rulers did," added the article.

DPRK: Kim Chong-il 'Witty Remarks' Viewed as Treasure

SK2501153396 Pyongyang KCNA in English 0846 GMT 25 Jan 96

[FBIS Transcribed Text] Pyongyang, January 25 (KCNA) — The Great Leader Comrade Kim Chong-il is a great maker of witty remarks.

In the course of leading revolution and construction he made a lot of precious witty remarks, which have equipped the people with the most scientific and revolutionary world outlook and view on life and vigorously encouraged them to heroic feats.

These remarks are a great ideo-theoretical treasure for the Korean people.

The new and peculiar remarks infinitely attracting the people reflect the great personality of Comrade Kim Chong-il, an outstanding thinker and theoretician and genius of creation and construction.

"Expecting the victory in the revolution without the leader is as good as to expect a flower blooming without the sun."

"The leader is the centre of the socio-political integrity and the top brain representing the will of the popular masses."

"To have an incompetent leader is the greatest misfortune for the people."

These remarks show well the revolutionary outlook on the leader of Comrade Kim Chong-il, who clearly defined the position and role of the leader in accomplishing the people's cause of independence.

There are also many witty remarks defining the stand and attitude toward the leader as follows: "Loyalty and filial piety is the highest personality of a revolutionary", and "singleminded loyalty and filial piety is the most powerful weapon."

Comrade Kim Chong-il, whose remarks are characterised by the idea of "believing in the people as in heaven", absolutely worships and loves the people.

He said:

"While believing in the people is as good as taking a tonic, turning one's back on the people is as good as taking poison".

"Miracles are certainly wrought by the people, not by a blessed chance."

"Trust produces loyal subjects, but doubt produces traitors." These remarks show that Comrade Kim Chong-il has always shared life and death, sweets and bitters with the people and made the people the most ideal persons with his great politics of love.

His remarks serve as an encyclopedia which gives flawless answers to theoretical and practical problems arising in the struggle of revolution and social life.

"Political philosophy is the compass of leadership."

"Wisdom is mightier than weapon in defeating the enemy."

"Those who love the future have nothing impossible to do."

These remarks give a guideline to statesmen, strategy to military men and optimism and hope to all the people.

His remarks become policies and strategies for all domains such as the building of the party, the state, the army, the economy and culture, and even ethical problems in everyday life. Fully reflected in the remarks are his clairvoyant wisdom, sound judgement, extensive knowledge, manifold attainments, rich experiences and skillful linguistics ability.

His witty remarks reflect the immortal truth and requirements of the era and they are inspiring the people and light the path of humankind with infinite vitality.

DPRK: Foreign Delegations Pay Homage to Kim Il-song

SK2601051896 Pyongyang KCNA in English 0429 GMT 26 Jan 96

[Spelling of names as received]

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — A Bulgarian Government economic delegation led by Vice-Minister of Trade and Foreign Economic Cooperation Ivan Belchev Thursday visited Kumsusan Memorial Palace where the great leader President Kim Il- song is preserved in state, and paid homage to him.

The head of the delegation wrote in the visitor's book that he was deeply moved by the great respect of the Korean people for President Kim Il-song and that his cause will be immortal forever.

That day, newly-appointed Swiss Ambassador to Korea Uli Sigg, a delegation of the Mongolian Taekwondo Federation led by its Chairman Sainthog and a delegation of the Ods Corporation of Japan led by its President Takahiro Yamaguchi paid homage to President Kim Il-song at Kumsusan Memorial Palace.

DPRK: People Remember, Appreciate Past Great Leaders

SK2601113696 Pyongyang KCNA in English 0908 GMT 26 Jan 96

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — The Workers' Party and people of Korea make a fair appreciation of the people renowned in our nation's 5,000-year-long history and keep their accomplishments remembered long.

Typical are the Tomb of Tangun in Kangdong County and the Tomb of King Tongmyong in Yokpo District, Pyongyang, and the tomb of King Wang Kon in Kaepung County, Kaesong Municipality.

The Great Leader Comrade Kim Chong-il said:

"We unearthed the tomb of Tangun, the founder of Korea, and rebuilt it majestically, and splendidly reconstructed the tombs of King Tongmyong, the founder of Koguryo, a powerful ancient state, and of Wang Kon, the founder of Koryo. The long history of our nation has acquired greater brilliance in the era of the Workers' Party."

Tangun was the founder of Korea and the first king of our nation, who founded Kojoson (ancient Korea), the first ancient state of the Korean nation, which existed about 3,000 years long early in the 3000s B.C.

He already ushered in the origin of building the national state 5,000 years ago and provided a practical guarantee for developing Korea into a homogeneous nation.

Tangun, who was regarded as a fabled person for a long time, has turned out to be a real historical one in the present era. And his tomb was majestically rebuilt (October 11, 1994).

Tongmyong was the king of Koguryo which existed for about 1,000 years. He founded the first feudal state of the Korean nation in the year 277 B.C.

He struggled against the foreign aggression forces for a long time and retook the territory and people of Kojoson. Thus, he built Koguryo as the legitimate state of Kojoson inheriting its historical position and role.

The tomb of Tongmyong was rebuilt on May 14, 1993.

Wang Kon built the first unified state in the history of the Korean nation.

He established Koryo in the year 918 and achieved the territorial unification in the year 935.

Koryo, which was the traditional state of Koguryo, a powerful ancient state, existed for 475 years, displaying its name to the world in the fields of politics, economy, military and culture.

The tomb of King Wang Kon, the king of Koryo, was splendidly rebuilt on January 31, 1994.

Thanks to the correct policy of the Workers' Party of Korea on national cultural relics the tombs of kings will be carefully preserved and handed down to generations to come along with the feats of the historical persons renowned in our nation's history.

DPRK Article: Peace Requires 'Anti-Imperialist Struggle'

SK2501152396 Pyongyang KCNA in English 0828 GMT 25 Jan 96

["Peace Can Be Won Only Through Anti-Imperialist Struggle" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 25 (KCNA) — Peace is a commonwealth of humankind, which can be achieved only when all the peaceloving people wage a powerful joint struggle against anti-peace forces. All nations should turn out as one in the struggle for peace.

NODONG SINMUN says this in an article today.

The daily quotes the Great Leader Comrade Kim Il-song as saying:

"In order to safeguard peace, all countries and nations must maintain independence, oppose power politics, and develop a powerful joint international struggle to prevent aggression and war."

Peace should be won through struggle, the daily says, and goes on:

What is important here is for all the peaceloving forces the world over to unite in the idea of peace and make a collective counterattack upon the imperialists.

Unity is the source of strength and a decisive guarantee for victory. If the world's peace-loving forces struggle by dint of unity in all parts of the world, the imperialists' policy of aggression and war will be easily checked and frustrated.

It is important to take a principled stand towards imperialism in waging the anti-imperialist struggle. To make an unprincipled compromise with and concession to imperialism, considering its nature to be changed, would be, in the long run, an act of wrecking peace.

To check and frustrate the imperialists' regional strategy, at present, is essential in the struggle against their maneuverings of aggression and war and for peace. The regional strategy is a part of the imperialists' world strategy and one of their main methods to harass peace.

The world's peaceloving people should wage a vigorous joint struggle against the regional strategy of the imperialists, clearly seeing its danger.

DPRK: Pomminnyon Urges Greater Efforts for Reunification

SK2501153496 Pyongyang KCNA in English 1020 GMT 25 Jan 96

[FBIS Transcribed Text] Pyongyang, January 25 (KCNA) — The Central Committee of the North Side Headquarters of the National Alliance for the Country's Reunification (Pomminnyon) met here today to review what it did last year and discuss the tasks facing it this year.

Paek In-chun, chairman of the North side headquarters, delivered a report, which was followed by speeches.

The reporter and speakers said compatriots at home and abroad waged a nationwide struggle last year, true to the Great Leader President Kim Il-song's behest for national reunification, adding lustre to the history of the reunification movement.

The great leader Comrade Kim Chong-il, they noted, conducted energetic activities to hand over the reunified country to the posterity by fulfilling the behest of President Kim Il-song. He resolved all the problems arising in the activities of Pomminnyon and showed deep care for its movement.

They said that with the Kim Yong-sam group persistently seeking confrontation with the North, it is necessary for Pomminnyon to invigorate its activities to open an epoch-making phase of national reunification with concerted efforts of the nation.

Pointing out that achieving unity of pro-reunification patriotic forces is an important task facing Pomminnyon, they said Pomminnyon should unite with other organizations, figures and people of various social strata at home and abroad this year on the basis of patriotism and the spirit of national independence, irrespective of ideology, idea, political view, religious belief, ism and principle.

They called on organizations active for reunification at home and abroad to take a joint action to expose the moves of the antireunification forces against reunification through confederation.

They also called for vigorous political propaganda activities and mass movements in various forms to reveal the anti-national, antireunification and anti-ethic nature of South Korea's "national security law" and urge its abolition.

Pomminnyon will emerge victorous in its patriotic cause of reunification because General Kim Chong-il indicates the orientation of its movement, they noted.

Presidium members and Central Committee members of the North side headquarters of Pomminnyon were elected to fill vacancies at the meeting.

The meeting was closed with the adoption of a resolution.

DPRK: Pomminnyon Marks Fifth Anniversary, Stresses Unity

SK2601045496 Pyongyang KCNA in English 0438 GMT 26 Jan 96

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — We will conduct a more powerful reunification movement with organisations of the National Alliance for the Country's Reunification (Pomminnyon) at home and abroad under the uplifted banner of peace and great national unity in the face of the undisguised obstructions of the separatist forces so as to bring about a bright prospect for national reunification desired by the fellow countrymen this year.

Paek In-jun, chairman of the North side headquarters of Pomminnyon, stressed this in a statement published on January 25 on the occasion of the 5th anniversary of the formation of the North side headquarters of Pomminnyon.

He went on to say:

This year we should, first of all, build up Pomminnyon into a nationwide reunification movement organisation and, at the same time, achieve unity with all pro-reunification patriotic forces at home and abroad, transcending the differences in ideology, idea, political view, religious belief, party affiliation and political grouping, ism and assertion.

For a proper fulfilment of the historical mission of Pomminnyon it is necessary to strengthen the work of Pomminnyon North side headquarters, defend the Pomminnyon South side headquarters from the suppression by the separatist forces and make the organisation legitimate.

We should closely combine the struggle for peace and great national unity and the struggle for reunification by confederacy and develop the struggles into a massive movement for the solidarity of the people in the north, the South and overseas this year.

Invincible is the just cause of our Pomminnyon that reflects the desire of the nation for reunification.

Paek In-jun expressed the expectation that the honest-minded people of the world and international organisations will extend firm support and solidarity to the just cause of Pomminnyon for peace in the country and its reunification.

DPRK: Power Stations Increase Electricity Output

SK2501152496 Pyongyang KCNA in English 0839 GMT 25 Jan 96

[FBIS Transcribed Text] Pyongyang, January 25 (KCNA) — Electricity output of power stations is on the increase in Korea.

According to Kim Yong-tal, director of the General Production Guidance Bureau of the Ministry of Electric Power Industry, electricity output increased by 5.3 percent as of January 21 compared with the same period of December last year.

Electricity output went up 20 percent at the Pukchang Thermal Power Complex, the Chongjin Thermal Power Plant and other thermal power plants.

In this period, the Pyongyang Thermal Power Complex generated 44 million more kWh of electricity.

Electricity output was boosted by hydro-power stations across the country, which depend on abundant water resources.

In the same period, the March 17 General Hydro-Power Enterprise and the Pujongang Power Station produced over 13 million more kWh of electricity each.

Hochongang and Changjingang Power Stations turned out some 8 million more kWh of electricity each.

DPRK: Foreign Businesses Survey Najin-Sonbong Trade Zone

SK2601092496 Pyongyang KCNA in English 0859 GMT 26 Jan 96

["Najin-Sonbong Visited by Representatives of 250 Companies in 1995" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — The Najin-Sonbong free economic and trade zone of the Democratic People's Republic of Korea has drawn growing attention from many foreign companies.

Last year, some 1,400 businessmen from 250 companies toured the zone and decided to launch joint ventures, collaboration and individual businesses in different sectors.

Companies of the United States, Britain and other countries made survey tours of the zone.

The United States' Stanton Group discussed a way of processing two million tons of oil in the zone and doubling the existing generating capacity.

The General Motors Asia Pacific Operations, Ltd. of the United States plans to build an automobile accessory factory and export the products to Northeast Asian countries.

The U.S. Marphy Overseas, Ltd. [name as received] decided to invest 100 million dollars in the building of a wooden furniture factory which will import and process one million cubic metres of wood every year and export the products.

The Hong Kong Dasin Company has begun road construction with an investment of several million dollars, while the Shell Pacific Enterprises TNCN Ltd. of Britain [name as received] has leased ten hectares of land from the authority of the zone for 50 years to build a facility for stockpiling and supplying 100,000 tons of oil.

Among the investors in such projects are also companies of Pakistan, China, Netherlands and other countries.

The Thai Loxley public company, Ltd. made a contract of investing a large amount of money for international satellite communications, international telephone in Northeast Asian region, cellular phones, wire TV relay, TV conference and transmission of data, etc.

Companies of Denmark, Finland, Hong Kong and other countries and regions also offered joint ventures in communications.

Companies of China, the United States, Russia, Japan and other countries are particularly interested in Najin Port.

The regular service between Najin Port and the Yanbian Maritime Transport Company began in November last year.

The Hunchun Dasin Wooden Products, Ltd. of China has exported 200,000 tons of pieces of wood used for making paper to Japan via Najin Port every year.

Several companies of Russia have a wharf at the port for fertilizers, material wood, coal and steel.

The DPRK Committee for the Promotion of External Economic Cooperation and the authority of the Najin-Sonbong free economic and trade zone have accepted the offers of foreign investors and provided them with preferential conditions necessary for their businesses.

DPRK: UN Reports World Food Situation Worsens

SK2501233796 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 21 Jan 96

[FBIS Translated Text] The world food situation is worsening. According to a recent report assessing the food situation released by the UN Food and Agriculture Organization [FAO], it was estimated this year that grain output throughout the world was reduced by 8 million tonnes last year. In addition, it is being estimated that food reserves for 1996-1997 will be reduced by 47 million tonnes.

The organization revealed that the price of grain will increase worldwide this year due to a reduction in grain output and food reserves. On 18 January, according to information revealed during his visit to Zambia, the FAO general director said 800 million people are currently suffering from a food crisis throughout the world.

DPRK: Editorial Urges 'Singlehearted Unity' Around Party

SK2601104096 Pyongyang KCNA in English 0849 GMT 26 Jan 96

["NODONG SINMUN Calls for Accelerating Advance This Year With Might of Singlehearted Unity" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — All the party members and working people should harden the singlehearted unity, their life and soul, and accelerate the revolution and construction with its invincible might, thus fully demonstrating the spirit of socialist Korea to the whole world. Herein lies the way for displaying the might of the Korean people's singlehearted unity, the most valuable heritage which the Great Leader Comrade Kim Il-song created all his life, and bringing about the independent reunification of the country and the complete victory of socialism at an early date.

NODONG SINMUN today says this in its editorial entitled "Let us dynamically advance this year with the might of singlehearted unity around the party".

Let us more closely unite around the great General Kim Chong-il under the uplifted banner of the red flag — this is the banner of struggle and advance as well as the slogan of faith, which the Korean people should hold high in the general march today, the editorial says, and goes on:

Singlehearted unity is the revolutionary philosophy of our party and the banner of all victories.

The entire people should effect a new turn in socialist construction with the might of this unity, in which they are rallied as firm as a rock around the Great Leader Comrade Kim Chong-il. This is a decisive guarantee for the victory in the struggle this year.

Comrade Kim Chong-il is the centre and eternal defender of the singlehearted unity of our party and revolutionary ranks, which is carried forward generation after generation.

We should hold him in high esteem as the centre of our unity and leadership and our eternal supreme commander and defend the signlehearted unity, the most valuable achievement of the Korean revolution, regarding it as the apple of the eye.

All the party members and working people should brave out all difficulties and ordeals in the spirit of the "arduous march", determined to devote their all to the revolution.

DPRK: Economic Protocol Signed With Bulgaria

SK2601113196 Pyongyang KCNA in English
1033 GMT 26 Jan 96

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — A protocol of the 20th meeting of the inter-governmental economic, scientific and technological consultative committee of Korea and Bulgaria was signed here today.

Present at the signing ceremony on the Korean side were Kim Chong-u, vice-chairman of the State External Economic Affairs Commission, and officials concerned and on the opposite side were the members of the Bulgarian Government economic delegation led by Ivan Belchev, vice-minister of trade and foreign economic cooperation, and Yordan Jekov Mutafciev, Bulgarian ambassador to Korea.

An agreement on cooperation between the Committee for the Promotion of International Trade of the DPRK and the Commercial and Industrial Chamber of Bulgaria was also inked.

DPRK: Anniversary of Republic of India Acclaimed

SK2601104196 Pyongyang KCNA in English
0844 GMT 26 Jan 96

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — Papers here today dedicate signed articles to the 46th anniversary of the proclamation of the Republic of India.

After the foundation of the Republic the Indian people have made tireless efforts to consolidate national independence and build the national economy under the banner of independence, NODONG SINMUN says, and goes on:

The Indian Government, which is pursuing the non-aligned policy in external relations, is striving to develop friendly relations with the other Asian countries and promote the good-neighbour relationship with all countries of the world and is calling for establishing a fair international order.

Korea and India have a long history of friendship. Cooperation and exchange between the two countries today are briskly developing in politics, the economy, culture and other fields.

The Korean people will make active efforts to continue strengthening and developing the friendly and cooperative relations with the Indian people.

MINJU CHOSON says the Korean people are convinced that the traditional relations of friendship and cooperation between Korea and India will continue to develop in the idea of independence, friendship and non-alignment.

DPRK: Greetings Sent to Speaker of State Duma of Russia

SK2501152896 Pyongyang KCNA in English
1023 GMT 25 Jan 96

[FBIS Transcribed Text] Pyongyang, January 25 (KCNA) — Yang Hyong-sop, chairman of the Supreme People's Assembly of the DPRK, sent a message of greetings to Gennadiy Nikolayevich Seleznyov on his election as the speaker of the State Duma of Russia.

The message noted that his election is an expression of the Russian people's trust in and expectation of him.

It expressed the belief that the friendly relations between Korea and Russia would further expand and develop in the interests of the peoples of the two countries and wished him success in his responsible work.

DPRK: Greetings Sent to Australian Prime Minister

SK2501152596 Pyongyang KCNA in English
1024 GMT 25 Jan 96

[FBIS Transcribed Text] Pyongyang, January 25 (KCNA) — Kang Song-san, premier of the Administration Council of the Democratic People's Republic of Korea, sent a message of greetings to Prime Minister Paul Keating of Australia.

The message wished him greater success in his work for the country's prosperity and expressed the belief that the relations between the two countries would develop on better terms.

South Korea

ROK Paper Discusses New U.S. 'Nuclear Ambassador'

SK2601082596 Seoul HANGYORE SINMUN in Korean 26 Jan 96 p 3

[Report by Washington correspondent Chong Yon-chu]

[FBIS Translated Text] The U.S. State Department announced on 24 January that it would replace Gallucci, who had served as nuclear ambassador, with Winston Lord, assistant secretary of state for East Asian and Pacific affairs. The State Department's announcement that day was no more than confirmation of an already-known fact; Gallucci had virtually washed his hands of North Korean affairs, and instead is now in charge of implementation of the Bosnian peace accord, and also because, in his place, Assistant Secretary Lord has been in charge.

The replacement of Gallucci, an expert on the North Korean nuclear problem, with Assistant Secretary Lord, an expert on Asia, means that in pursuing policy toward North Korea, the United States may seek a macroscopic policy covering the nuclear problem and political and economic affairs, a change from the previous microscopic policy centering on the nuclear problem. Even when North Korea and the United States were holding nuclear negotiations in earnest, some people insisted that it was necessary to deal with the North Korean nuclear problem macroscopically and that Lord was better qualified than Gallucci.

Assistant Secretary Lord has two significant tasks ahead. One is to find a way to respond to North Korea's food crisis, and the other is to come up with money for the 500,000 tonnes of heavy oil the United States should provide to North Korea this year. With Assistant Secretary Lord in attendance, the ROK, the United States, and Japan are now discussing grain assistance to North Korea in Hawaii. The United States is having difficulty coming up with the money for the heavy oil. It needs $50 million to supply 500,000 tonnes this year. However, the State Department requested a mere $22 million for the Korean Peninsula Energy Development Organization. The United States plans to use $20 million out of the money to supply heavy oil.

Ultimately the United States may come up with the money under a presidential executive order, because even if it comes up with $20 million, it will still be $30 million short.

ROK Official on U.S. Probing Circumvention by TV Makers

SK2501015396 Seoul THE KOREA TIMES in English 25 Jan 96 p 8

[Report by staff reporter No Chun-hun]

[FBIS Transcribed Text] The Department of Commerce of the United States has launched an investigation of charges of circumvention by Korean color television makers, causing fears of a ban.

The Federal Register published by the U.S. Federal Government said in a report that the Department of Commerce kicked off the probe last Friday in response to complains by a number of electrical workers' unions.

The Department of Commerce will now await findings by the International Trade Commission and the decision is to be made within 300 days. At present, there are no direct exports of color television units to the United States and all of them go through countries like Mexico and Thailand to avoid anti-dumping penalties.

"US authorities now levy anti-dumping duties of less than 0.5 percent for Samsung and LG Electronics sets and thus they are not harmed. The main problem is with Daewoo Electronics which faces 0.92 percent in duties," a MOTIE [Ministry of Trade, Industry and Energy] official said.

He said the basic problem with the allegation that these products entering the American markets are circumventing the ban is that they are produced in locally financed facilities and contain many locally-produced components," he went on to say.

By circumvention, authorities refer to the marketing of products originating last from an admissible country, like Mexico, even though the item has actually been assembled in Korea.

One advantage the top television makers have, the official said, is that there was a similar case in the United States in 1990 and a not guilty ruling was handed down by the Department of Commerce.

The officials said the current investigation will cover from April this year until March of next year and will dig into the possibility of dumping on the part of Korean manufacturers.

MOTIE officials said one of the outstanding issues is the scope of what can be described as circumvention, such as whether the inclusion of locally-made color picture tubes will qualify the sets in question as being made in Mexico or made in Thailand .

Should this be the case, only units with screen sizes of 19 inches or less would be subject to the investigation, the MOTIE officials said.

In 1994, the export of color television sets from Mexico to the United States reached 490 million dollars and, the first seven months of last year, 285 million dollars, they elaborated.

DPRK's UN Envoy Meets With Former U.S. President Carter

SK2601035596 Seoul YONHAP in English 0245 GMT 26 Jan 96

[FBIS Transcribed Text] Washington, Jan. 25 (YONHAP) — North Korea's permanent representative to the United Nations Pak Kil-yon met and talked with former U.S. President Jimmy Carter in Atlanta on Wednesday over ways to solve North Korea's food difficulties, sources here said Thursday.

Sources said that six staff members from the Carter Center plan to fly to North Korea on Feb. 20 to talk with North Korean officials about ways to provide a private food assistance for the North.

Pak was quoted as telling Carter that North Korea changed its earlier position and decided to participate in the Atlanta Olympics after the North Korean leadership received his letter.

Sources said Pak may have asked Carter to visit North Korea again, but they could not confirm whether or not Pak conveyed a letter from de facto leader Kim Chong-il to Carter.

ROK Daily Analyzes U.S. Policy on Rice Aid to DPRK

SK2601070396 Seoul CHOSON ILBO in Korean 26 Jan 96 p 2

[Article by Washington correspondent Pak Tu-sik from the "Reporter's Pocketbook" column: "Subservient Attitude of the United States"]

[FBIS Translated Text] Since the United States decided to provide grain to North Korea, it has made extensive efforts to pursue this policy. In the first stage of the implementation of the policy, THE WALL STREET JOURNAL reported on North Korea's food shortages in November last year, and various other U.S. news media followed suit. And, in the second stage, the United States quietly persuaded the ROK and other countries of the truth of North Korea's serious grain shortages. And, just before the ROK, the United States, and Japan began talks in Hawaii on 25 January, the United States preached the inevitability of the provision of grain to North Korea and made the rice assistance to North Korea an accomplished fact even before the talks started.

Why is the United States eager to provide rice to North Korea? North Korea may have suffered severe flooding last year, however, North Korea's grain shortages did not begin just last year. We wonder why the United States so positively seeks to provide rice to North Korea, while not granting all humanitarian requests worldwide. We have no choice but to link this with the U.S. presidential election this year.

The Clinton administration narrowly contained the North Korean nuclear crisis and has advertised that this as its diplomatic accomplishment. We may say that maintaining the status quo of the Korean peninsula until the November election is the administration's imminent goal. Therefore, the United States seeks to prevent a "likely crisis" by providing grain to North Korea. Diplomatic circles in Washington have the scornful criticism that the "U.S. Administration's goal of maintaining peace and stability on the Korean peninsula is synonymous with maintaining the status quo."

Neither the U.S. Administration, which has sought to hastily provide grain to North Korea, nor the ROK, which has been opposed to this idea, seems to have any convincing logic: They each merely present incomplete information and offer an interpretation of the situation based on its own interests. This makes us more anxiously wonder how long North Korea will be able to endure. A good example concerning North Korea's food shortages is the Cuban missile crisis in the early sixties. The United States and the Soviet Union were ready to fight over the Soviet Union's planned deployment of missiles in Cuba. That crisis, though paradoxically, has become a basis for maintaining "peace in horror" Cold-War style. This is because the crisis has set limits on the game. In the course of the North Korean nuclear crisis, the ROK and U.S. Governments gave up every opportunity to see how far North Korea can go; even when a small crisis situation has developed, they have hastily yielded, frightened at the North Korean threat that it "is ready to wage a war."

The same thing is happening to North Korea's grain shortages. North Korea has recently mounted an all-out offensive by making threats. If North Korea overcomes the grain shortages the way it "wants to," chances for appropriately dealing with North Korea may be remote.

ROK Paper Urges U.S., Japan To Pressure DPRK

SK2201081996 Seoul SEOUL SINMUN in Korean 22 Jan 96 p 3

[Editorial: "The United States and Japan Should First Call for Change in North Korea"]

[FBIS Translated Text] In preparation for the conference between the ROK, the United States, and Japan, which is to be held in Hawaii beginning 24 January to discuss policy toward North Korea, the government reconfirmed its position that official aid and support to counter the recent flood damage is possible only when North Korea first shows a change in its attitude toward the ROK. In addition, the government decided to persuade the United States and Japan that support for North Korea should be based on improvements in North- South relations, on the premise that the true food situation is confirmed, and on assurances that the provided grain will not be used for the military. This is a fair and proper policy for the government to adopt toward North Korea and a timely reconfirmation of the policy.

We have already unconditionally offered 150,000 tons of rice to North Korea from a humanitarian standpoint since North Korea is suffering from food shortages and flood damage, and in the hope that North Korea will respond to our call to improve relations. However, there is no indication whatsoever of a change in its attitude. Rather than improve its relationship and dialogue with us, North Korea has instead intensified its unreasonable and vehement slander and defamation against the ROK. North Korea returned the crew of the Usongho, using the United States as its counterpart, completely ignoring us. In other words, North Korea has voluntarily eradicated all reason and justification for others to help the North.

North Korea does not want our help and rejects dialogue with us. This being the case, how can we voluntarily help North Korea? It was learned that the United States wants to provide help first and then improve relations. Reports indicate that during the talks in Hawaii slated for 24 January, the United States will persuade us to fine tune our policy, and may even attempt to pressure us. We would like to point out that if this report is true, then the proper order is upset.

In the past, we have made unilateral concessions to North Korea. It is now time for North Korea to change, even slightly. We firmly believe it is reasonable for North Korea to immediately suspend its groundless and reckless slander and defamation against the ROK. What the United States and Japan should first do is persuade and pressure North Korea to change before they attempt to persuade us. The United States is to hold elections this year; a government was inaugurated in Japan that seeks the early establishment of diplomatic relations with North Korea. We should not allow North Korea to take advantage of these occasions. We again wish again call on the United States and Japan to keep in mind that cooperation should be maintained, and that as far as policy toward North Korea is concerned, our government's position and policy should be treated with the greatest importance.

ROK Holds Meetings With U.S., Japan on Aid to DPRK

SK2501161996 Seoul KBS-1 Television Network in Korean 1200 GMT 25 Jan 96

[FBIS Translated Text] A high-level policy consultative meeting opened in Hawaii in the United States on 25 January. Prior to the tripartite meeting, which will begin in earnest on 26 January, the ROK delegation respectively held meetings with Japan and the United States on 25 January to coordinate opinions in advance and inform them of our demands. We have a report from reporter Yi Hyon-chu in Honolulu.

[Begin recording] [Yi Hyon-chu] A Japanese delegation, which held a meeting with the ROK delegation led by Assistant Vice Foreign Minister Pan Ki-mun, concluded that it has no plans to provide additional rice aid to North Korea, and that in the future it will closely consult with the ROK Government in advance concerning the rice issue. In particular, during today's meeting the ROK delegation delivered an ROK report to Japan concerning North Korean rice. In addition, Japan has disclosed a report prepared by North Korea containing the contents of the distribution organizations and receivers of rice provided by Japan. This is unprecedented. Accordingly, they exchanged information concerning the rice issue.

[Pan Ki-mun] The Japanese side informed me that it had received general data from North Korea indicating the amount of rice that had arrived in ports, as well as the amount of rice delivered to each province.

[Yi Hyon-chu] Following this, the ROK delegation held a meeting with the U.S. delegation led by U.S. Assistant Secretary Lord. The U.S. delegation agreed to the ROK delegation's proposal that before rice aid is discussed, obligations by which North Korea should abide concerning the nuclear issue must be properly implemented. This is in order to achieve ad hoc [imsi] or special [tukpyol] inspections of the North Korean nuclear facilities, as set forth in the Geneva Agreement as soon as possible.

[Pan Ki-mun] We agreed to as soon as possible work out plans that will, as much as possible, cause North Korea to accept ad hoc or general inspections [ilban sachal].

[Yi Hyon-chu] A relevant official from the ROK delegation stated that during the main meeting on 26 January in which the three countries will earnestly discuss the food issue, the ROK delegation will stress again its existing position that it will not provide rice to North Korea if no changes occur in the North Korean attitude. [end recording]

ROK Deputy Premier: U.S., Japan Understand ROK Aid Policy

SK2601120196 Seoul YONHAP in English 1136 GMT 26 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — Deputy Prime Minister Kwon O-ki indicated Friday that the United States and Japan had understood the prerequisites South Korea has set forth to any further government-level delivery of rice to North Korea.

"I have been informed that at the recent Honolulu meeting, our delegation discussed the government stand toward the issue of providing any rice to North Korea, and the policy has been duly reflected on the U.S. and Japan," Kwon said.

While testifying at the Assembly Unification and Foreign Affairs Committee, Kwon implied his government would be flexible toward the provision of rice to the North by international organizations.

Asked by solons if the government policy doesn't give the impression that South Korea is trying to keep the U.S. and Japan from giving rice to North Korea, Kwon said the country cannot prevent it if a foreign country decides to provide rice to North Korea.

"Any provision of rice by our government would be one thing and furnishing by foreign countries another," Kwon said.

He added, however, that his government tries to reflect its stand on any foreign country's decision to provide rice to North Korea.

Kwon elaborated that South Korea is wanting that when the rest of the world community provides rice to the North, it should respect the two principles of making an advance on-the-scene survey of the food situation of the North and of obtaining the transparency of rice distribution.

When it comes to any further provision of rice by South Korea, he said North Korea should meet the three prerequisites: Formal request for rice, resumption of government officials talks and transparency of rice distribution.

On the question of expanding assistance to the North through private organizations, Kwon said private bodies provide assistance to North Korea with emphasis on flood relief goods rather than food.

"Provision of relief goods is going on smoothly through the Red Cross," Kwon said.

He said that even if the Korean National Red Cross wishes to ship relief items directly to the North, Pyongyang rejects it, obliging the Korean Red Cross to furnish relief goods through International Red Cross.

ROK, U.S., Japan Agree on DPRK Aid Issue

SK2601090396 Seoul YONHAP in English 0834 GMT 26 Jan 96

[FBIS Transcribed Text] Honolulu, Hawaii, Jan. 25 (YONHAP) — South Korea, the United States and Japan agreed Thursday that they would not consider any large-scale government-level food assistance for North Korea, which is reportedly suffering from food shortages.

Delegations from the three countries agreed that North Korea's food shortage has been caused by long-standing structural problems, South Korea's Deputy Foreign Minister for Political Affairs Pan Ki- mun said.

Pan headed the South Korean delegation to the high-level talks on North Korean issues which were held at Honolulu Hilton Village Hotel.

The United States and Japan seemed to have accepted South Korea's judgement that North Korea's food situation is not so serious as to cause any crisis to the North Korean political system, sources here said.

In view of this consensus, any large-scale food aid to the North is unlikely in the near future, according to the sources.

The three countries, however, agreed not to regulate private food donations made by international organizations, non-governmental organizations or religious groups to the North, under the condition that Pyongyang ensure that the food is openly delivered to the ordinary people.

Pan said, "All three countries decided not to consider any government-level food aid to the North and have not decided anything about humanitarian food aid to North Korea."

After the talks, the three countries released a joint communique, which reaffirmed their agreement to continue to work toward an inter-Korean dialogue.

South Korea suggested that the prerequisites for making any decisions regarding the timing and method of rice aid should include: Tripartite fact-finding teams that can determine the true food situation in the North and secure the transparency of the food distribution process.

U.S. officials requested that Seoul's proposal be discussed after they had a chance to report back to Washington, Pan said.

However, the U.S. representatives strongly emphasized the need to take visible steps to stabilize Northeast Asia, although in general, they agreed to Seoul's insistence on the need for fact-finding missions.

The U.S team also called on Seoul and Tokyo to cooperate in finding a way to share the burden of paying for the heavy oil to be provided to North Korea to assure a smooth implementation of the U.S.-N.K. nuclear accord reached in Geneva in 1994. U.S. officials stressed that their government is currently trying to map out strategies that would allow the European Union (EU) and petroleum producing countries in the Middle East to participate in the burden- sharing.

The U.S. side also said that it will be difficult for their country to supply heavy oil to the North as promised until March because of its budget problem, raising concerns that Pyongyang might refuse to allow scheduled nuclear inspections, arguing insisting that the delay is a violation of the Geneva agreement.

Winston Lord, U.S. assistant secretary of state for East Asia and Pacific Affairs and Japanese Deputy Foreign Minister Shunji Yanai both attended the meeting.

New ROK Unification Minister on Rice Aid to DPRK

SK2601110096 Seoul KBS-1 Radio Network in Korean 0800 GMT 26 Jan 96

[FBIS Translated Text] Kwon O-ki, deputy prime minister and minister of the National Unification Board, said that since North Korea's food shortage is not a temporary phenomena, but a result of structural problems, implementing the South-North basic agreement should not be conducted at the level of providing one-time food aid, but from the level of fundamentally involving agricultural exchange and cooperation.

Deputy Prime Minister Kwon O-ki revealed this during the afternoon session of the National Assembly's Foreign Affairs and National Unification Committee while emphasizing that considering the North's grain output and amount of consumption, food supplies are expected to last until June of this year, and that this is not the worst situation in which there is an immediate threat of famine or of the collapse of its system.

He also reported that the government will firmly abide by the principle of examining the issue of rice aid only when North Korea accepts the minimum preconditions of holding talks between South- North authorities on the Korean peninsula, and suspending the slander against the South.

ROK Red Cross Asks To Participate in ICRC Plan for DPRK

SK2601133896 Seoul KBS-1 Radio Network in Korean 1100 GMT 26 Jan 96

[KYODO, YONHAP report from Geneva]

[FBIS Translated Text] The ROK Red Cross Society has unofficially proposed to the International Committee of the Red Cross [ICRC] that it participate in activities being initiated by the ICRC to provide food aid to the North. Diplomatic sources in Geneva, Switzerland conveyed this today and said that delegates of the ROK Red Cross Society also revealed that they are willing to dispatch an investigation team to Pyongyang.

These sources revealed that the ROK Red Cross Society has requested to the ICRC that relief goods to the North be transported by land rather than by ship.

ROK Expresses Interest in Japan-DPRK Group Head

SK2601070896 Seoul YONHAP in English 0658 GMT 26 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — South Korea expressed the hope Friday that Japan will remain firm in its commitment to help maintain peace and stability on the Korean peninsula when selecting its new leader of the lawmakers friendship association of Japan and North Korea.

Foreign Ministry Spokesman So Tae-won also said that his ministry has a deep interest in the selection of the new head of the Japan- North Korea Association of Parliamentarians, although the ministry has yet to receive any information on the matter from the Japanese government.

So was responding to reports that former Japanese Prime Minister Tomiichi Murayama will soon be inaugurated as chairman of the Japan- North Korea Association of Parliamentarians.

The association actually suspended activities for the past two years since its Chairman Hajime Ishi quit his job as the chief of the association, an official said. The association's top post has not been filled since Ishi's resignation.

The association is a symbol of the relations between North Korea and Japan, linking political relations between the two countries, he said.

The official added that the Japanese Foreign Ministry informed his ministry that Japan had no immediate plans to send a delegation of the ruling coalition to North Korea.

He also quoted a Japanese Foreign Ministry official as saying that Japan will consult with South Korea in advance, before sending such a delegation to Pyongyang.

ROK: Najin-Sonbong Development Due to 'Kim Il-song's Behest'

SK2601100096 Seoul CHOSON ILBO in Korean 26 Jan 96 p 2

[Report by Kim In-ku: "Contents of Kim Il-song's Behest"]

[FBIS Translated Text] It was confirmed on 25 January, that a few days before he died, Kim Il-song ordered that active investments be made in the Najin-Sonbong region, and that as a result, the Najin-Sonbong region is to be developed in accordance with "Kim Il- song's behest." This, however, is the first time that the details of the contents of his behest have been revealed.

According to the recent edition of the CHOSON SINBO, the organ of the General Association of Korean Residents in Japan [Chongnyon], during a meeting with functionaries concerned on 14 June 1994, Kim Il-song expressed concern by saying, "our functionaries do not know how to eat delicious rice cake even when it is served to them. If the project to develop the Najin-Sonbong region is handled in its present passive manner, all work will fail." He emphasized that "only when we actively take the initiative to push ahead with the project to develop this region will people of other nations make investments."

Kim Il-song also pointed out that the hotel business, transportation, and brokerage, were basic to the development of the Najin-Sonbong region and ordered that "funds for the construction of the free economy-trade zone not be spared, but be made boldly." He then stressed carrying out negotiations for introducing foreign investment and external propaganda work for investment properly."

The paper wrote that Kim Il-song pointed out that "once the free economy-trade zone is developed, our people can live well," and stressed that the survival of North Korea's economy will depend on the successful development of the Najin-Sonbong region. This "behest" of Kim Il-song is known to be the basic reason behind the recent positive moves by North Korea for the development of the Najin-Sonbong region.

ROK: Joint-Venture Business Activities in DPRK Analyzed

SK2401052896 Seoul CHOSON ILBO in Korean 23 Jan 96 p 10

[Report by Kim In-ku]

[FBIS Translated Text] It has been learned that foreign enterprises operating joint-venture businesses and corporations in the DPRK are experiencing great difficulties due to "slush funds" offered to North Korean authorities. In a recent report on the actual conditions of joint-venture enterprises and corporations in the DPRK, Pak Chong-tong, researcher at the Korea Development Institute, pointed out that "foreign enterprises that have advanced to the DPRK have been forced to pay excessive amounts of money for their expenses in a bid to appease administrative authorities from abusing their power. Because of this, although it may appear on the books that enterprises are making profits after one or two years, in reality, many of them are in the red."

Besides this, foreign enterprises are known to experience difficulties such as delays in the delivery of materials due to poor infrastructure; insufficient oil, electric power and industrial water; inadequate communications and financial systems; and lack of information on North Korea.

Researcher Pak Chong-tong surveyed a total of four joint-venture enterprises and corporations, one Chinese and three Chongnyon- [General Association of Korean Residents in Japan] affiliated business firms. The Chinese joint-venture company located in Namyang produces chemical products, such as paint and soap, with $200,000 of investment, and Chongnyon-affiliated joint-venture corporations are all clothing plants producing men's suits and underwear in Pyongyang. The actual operational conditions of these joint-venture firms are summarized as follows:

Employment of Workers

Workers are recruited indirectly through North Korea's "labor resources organizations" that arrange labor resources according to the type of work and scale of investment.

The arrangements for labor resources are usually carried out by the labor affairs section of the regional administration and economic committees or by the labor administration section of the government office to which the

North Korean partner of joint-venture corporation belongs. For example, the workers of enterprises involved in joint ventures with the Unha Trading Company are to be recruited and managed by the labor administration section of the Administration Council's Light Industry Committee to which the Unha Trading Company belongs. In rare cases, the Workers Party of Korea directly participates in major projects and in business activities involving big investments.

Business firms may refuse or dismiss workers arranged through North Korea when they fail to meet employment standards. This being the situation, firms dismiss pregnant female workers instead of allowing them to have maternity leave. The North Korean authorities, however, are not in a position to protest this.

Working Conditions

Working hours are basically eight hours a day, and workers take Sundays and national holidays off. Workers are allowed to have two weeks of paid annual leave. However, workers voluntarily refrain from going on leave by saying "they want to render loyalty to the state." Most of the joint-venture firms have mess halls where workers are fed for free. However, in some enterprises, workers pay a small amount for food. With a view to stimulating workers' morale, music concerts, recitals, as well as athletic events are held often. Regulations specify that child care centers should be established, but workers use the ones affiliated with state-run enterprises.

North Korean workers are paid much less than the amount specified by regulations. The wage for workers in joint-venture firms and corporations is specified to be $200 a month. Nevertheless, they only pay workers 70 to 80 won (approximately $35), through separate negotiations with North Korean authorities.

These enterprises agreed that, as a result of poor profits, they would pay overdue wages after three years. However, they often fail to keep these promises. A DPRK-PRC joint-venture company, established in May 1992, failed to pay overdue wages to workers, although their deadline was May of 1995, and submitted an appeal regarding its business difficulties to the North Korean authorities. Regulations specify that overtime allowances, holiday and retirement pay should be paid to workers, but practically none of the joint- venture business firms honor the regulations. Moreover, they can hardly pay bonuses, and merely offer special food or give gifts on holidays.

Personnel Management

Promotion is usually based on ability rather than seniority. Middle-managers are given the right to provide technical guidance and the right to decide if workers can come in late to work and leave early, as well as the right to reassign personnel.

Although North Korean authorities encourage technical guidance to workers, enterprises do not pay much attention to this, because most joint-venture enterprises conduct simple labor-intensive assembly activities.

ROK: PRC Underground Organizations Behind Illegal Entries

SK2001045296 Seoul THE KOREA HERALD in English 20 Jan 96 p 3

[FBIS Transcribed Text] Several Chinese underground organizations brokering smuggling into this country of Chinese and Korean-Chinese are active both in Korea and China, the prosecution said yesterday.

Officials at the south branch of the Seoul District Prosecutor's Office said that the underground organizations are behind the illegal entry of a considerable number of Korean-Chinese into this nation.

Prosecutors said that Chong Sung-yong, 22, who was arrested on charges of violating a law governing immigration Jan. 13 here, was a member of an organization, composed of ethnic Koreans from Fujian Province in China. Chong came to Korea as an industrial trainee and worked at a factory in Ansan, Kyonggi Province, according to prosecutors.

They explained that when the Korean-Chinese arrived at Seoul's Kimpo International Airport by the broker operating in Fujian Province, Chong took over at the airport, and helped them find jobs in Korea.

The underground organizations received 3-5 million won from each person in return for arranging the illegal entry.

There are several ways for Korean ethnics to smuggle into this country, prosecution officials said.

In one of them, they arrive at Kimpo International Airport as a transit passenger, and smuggle in by sneaking through an immigration check point, taking advantage of lax supervision by immigration officials.

As another way, they enter this country with fabricated passports. Taking advantage of the fact that Hong Kong people are allowed to enter this country without visa, they buy fake Hong Kong passports and change photos.

A prosecution official said, "We estimate that some considerable number of Korean ethnics have been smuggled into this country with the help of the underground organizations and now stay illegally here."

He said the prosecution will expand its investigation into those organizations.

In the meantime, the Ministry of Justice has decided to take stern legal action, such as physical detention against any smuggler in an effort to discourage Korean ethnics residing in China from smuggling into this country.

Previously, the prosecution made it a custom to send smugglers back forcibly to their hometown, considering diplomatic relation between Korea and concerned nations.

The hard-line stance, however, came following a growing number of Korean-Chinese who smuggled or attempted to smuggle into Korea recently by sea or air.

The Ministry of Justice has asked the Chinese authorities to investigate local underground organizations allegedly brokering the smuggling of Korean ethnics in China.

PRC Envoy to ROK: China 'To Induce' Foreign Investment

SK2601064296 Seoul YONHAP in English 0614 GMT 26 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — Chinese Ambassador to Seoul Zhang Tingyan said Friday that his country will treat foreign investors just like local Chinese on a gradual basis to induce more foreign investment.

Speaking at a lecture meeting hosted by Korean Employers Association, Amb. Zhang said that China will try to induce investment from as many foreign businesses as possible to generate economic growth that will improve the Chinese standard of living.

"China will take various steps necessary for inviting more alien enterprises, including industrial restructuring and customs tax rationalization," he said at a special lecture held at the Seoul Sheraton Hotel under the theme "Mutual Roles and Methods for Korea-China Economic Cooperation."

The population of China in the year 2000 will be 300 million more than that in 1980 and the per capita GNP will also be four times larger, he said, stressing that more South Korean businesses will have to advance into the giant Asian country where the potential market is huge.

Asserting that South Korea and China have their own advantages and merits in basic and high technology fields, Zhang emphasized that "if the two countries are to steadily intensify their economic cooperation, it would be a great help to maintain mutual prosperity and friendly relations."

ROK Ministry Urges Russia To Compensate for KAL 007 Deaths

SK2601091596 Seoul YONHAP in English 0842 GMT 26 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — South Korea Friday reiterated its position that the Russian Government should take responsibility for the downing of a Korean Air Flight in 1983, insisting that the Russian Air Force failed to observe standard procedures which are internationally recognized, in the downing of the KAL 007 over Sakhalin.

Foreign Ministry Spokesman So Tae-won noted that the final report of the International Civil Aviation Organization (ICAO), produced in 1993, revealed that the former Soviet Union Air Force failed to observe standard procedures before downing the ill-fated KAL flight.

So was responding to remarks made by a Russian Foreign Ministry spokesman Thursday that KAL should compensate for the deaths of its passengers, since it is responsible for the mistakes made by its crew which led to the mishap.

Spokesman So demanded that the Russian Government take steps as soon as possible to resolve the issue of compensation for these deaths.

The spokesman also dismissed reports which claimed that a Central Intelligence Agency (CIA) report insists that some of the passengers aboard the KAL 007 are still alive.

The U.S. Department of State announced in October, 1992, that what the media claimed a report of the CIA was in reality not a U.S. intelligence agency document, So said.

He pointed out that his ministry received a response from the U.S. State Department in 1992 when the National Assembly was looking into the possibility that some KAL 007 passengers were still alive.

So also said that the Russian Foreign Ministry also confirmed Thursday that all the passengers aboard the flight were killed.

ROK Editorial Urges Preparation for 'Competition Round Era'

SK2601012296 Seoul KYONGHYANG SINMUN in Korean 25 Jan 96 p 3

[Editorial: "Let Us Prepare For Competition Round Era"]

[FBIS Summary] We are very concerned that the government and enterprises are passive in dealing with the competition round era, even when many countries throughout the world have already entered it. Advanced countries intend to expand their export markets with superior competitiveness.

The fact that the competition round era is here will be confirmed during the first meeting between ROK and U.S. officials to be held in Kwachon on 26 January. The United States will call on the ROK to guarantee the free activity of U.S. companies in the ROK, while calling for the revision of the ROK commercial law.

The United States already gained considerable concessions from Japan as regards the fair transaction system during the coordination meeting between the United States and Japan. Therefore, it can be said that the United States has begun a series of offensives against the ROK to remove trade obstacles from the ROK as it did with Japan.

Accordingly, the government should sincerely prepare the following plans to deal with the competition round era: First, it should courageously improve the systems and practices which run counter to the era. We cannot carry out globalization without having a market structure in which fair and free competition is possible. Second, it should participate in meetings to discuss strengthening competitiveness. Third, it should concentrate every effort on significantly strengthening competitiveness in the international arena. The reason the ROK is unilaterally making concessions to the United States — which has a trade surplus with the ROK — is because it has no consistent strategy or tactic in dealing with the United States.

ROK Prime Minister Gives 1996 Policy Speech

SK2601082996 Seoul KBS-1 Television Network in Korean 0127 GMT 25 Jan 96

["Policy Speech" by ROK Prime Minister Yi Su-song made during the plenary session of the 178th Special National Assembly Session at the National Assembly in Seoul — live]

[FBIS Translated Text] Esteemed speaker of the National Assembly and Assemblymen: I deem it highly significant to have this opportunity to speak about this year's major tasks of the state administration and the policies of the government by attending the 178th Special National Assembly Session which today concludes the 14th National Assembly.

I express my thanks to you, the Assemblymen, for approving my appointment as prime minister during the past plenary session of the National Assembly. However, I have not yet obtained the full knowledge of overall administrative work, and ask for your kind understanding.

I can assure you at this point that I am firmly resolved to thoroughly abide by the great principles for all government officials to always remain modest and polite to the people and to work by assuming an attitude worthy of a kind and faithful public servant.

The new cabinet members and I are also determined to make the utmost efforts to fulfill our duties with a keen sense of our historic mission in order to comply with the expectations of you, the assemblymen, and with the aspiration of the people.

In the New Year policy speech on 9 January, President Kim Yong- sam made clear the direction of operating the state administration and his will to provide a foundation for a first-class world nation by setting history straight and by remarkably improving the quality of the people's living.

In my policy speech today, I would like to talk to you, the Assemblymen, about major policies and impending tasks to be implemented by the cabinet this year based on the direction of the operations of this year's national administration as elucidated by the president.

The government will direct efforts to improve North-South relations, to firmly consolidate the foundation for an advanced economy, and to constantly push ahead with reform in everyday living by reviewing various systems, laws, and regulations of the state. The government will also strive to expand the infrastructure of society.

These are the very tasks set forth for our nation to undertake and to carry to accomplishment without fail, although they may be difficult, in order to lay a foundation for becoming a first-class world nation in the 21st century. I believe that you, the Assemblymen, and all the people have a deep interest and understanding of this point.

I would like to pledge here, before the Assemblymen, that the cabinet will make every possible effort to accomplish these tasks by collecting wisdom and strength.

Esteemed Assemblymen, our people, greeting a new half century since national liberation, are earnestly hoping to be able to build a more mature nation in terms of morality, a more abundant nation in terms of material and culture, and a nation where they can enjoy a life worthy of mankind.

It is the wish and desire of all people, who tided over an arduous history, to build a community in which law, order, and principles are respected; in which conscience and ethics are vigorous and lively; and in which all people trust and love each other.

In implementing the national administration in the New Year, the cabinet will make the utmost effort to make the people a comfortable and peaceful everyday life by achieving a more stabilized society.

The work of setting history straight cannot be accomplished merely by the efforts of the National Assembly and the government. The full agreement of the people is essential to achieving this work. The cabinet will make efforts to provide an occasion for a new beginning based on genuine harmony by seeking reasonable and peaceful methods with which the majority of the people can feel sympathy.

With a view to ensuring the people's secure and peaceful life, the cabinet will give top priority to a thoroughgoing prevention of various accidents and disasters, to strengthening the function of maintaining public peace and order, and to establishing a firm national security stance.

I earnestly hope that you, the Assemblymen, will give affectionate encouragement to all government officials who are devoting themselves to the security of society in places of obscurity, in particular our soldiers of the armed forces who are on special alert day and night, our policemen, and other public officials. The government is planning to introduce various schemes to boost their morale.

Respected Assemblymen: This year we will have the general elections for the 15th General Assembly. The elections are a criterion to determine the level of maturity of our society. We must hold the upcoming general elections in a clean and fair manner in order to enhance our election climate and political culture to a higher plane so as to make it a turning point that brings forth a proud country and people with high self-respect.

Needless to say, the key to fair elections is for us all to abide by the law. The government is convinced that the best way to manage the election is to rigorously and thoroughly apply the law without exception to any violations of the law that tarnish the election atmosphere, and thus will put this conviction into practice.

The wrong inclination to seek elections by all means, even if violations of the law occur, should never be tolerated, even if it means punishing of a considerable number of violators.

We will make special efforts to prevent an excessively-heated atmosphere in the election that could bring about an excessive waste of state energy and adversely affect the national economy.

However, the will and effort of the government alone will not bring forth fair elections. It is essential that all people actively cooperate for fair elections, and particularly, that all political parties and candidates resolve themselves to create a clean atmosphere for elections free from the bonds of money. I am convinced if our efforts are integrated and united, a true election culture will take root and a new horizon will open for enhancing the level of our politics onto a higher plane. Following the end of the Cold War, the situation surrounding the Korean peninsula has brought about greater cooperation and mutual dependence among major countries in the region with a view to achieving regional security and common prosperity. Unfortunately, North-South relations have not shown yet signs of change in the new year. The political and economic situation in North Korea appears very unstable and in a state of flux. North Korea has avoided official dialogue between the South and North and has given rise to tensions by amplifying anti-South propaganda and by strengthening its military deployment near the DMZ. Sharp vigilance and full preparations are required more than ever to safeguard peace and stability of the Korean peninsula. The government is closely watching North Korea's moves, and has a firm security posture that can most quickly and effectively cope with any situation, doing its best not to fail the people's trust. Furthermore, the government will continue to pursue a specialized and selected military, modernize military equipment, and maximize the ROK Armed Forces' combat capabilities.

At the same time, the government is making special efforts to improve the morale and welfare of the army so that our armed forces may fulfill their duty to defend our national security and the lives and property of the people.

The government believes that under the circumstances in which North Korea continues to turn its back on North-South dialogue and adhere to a hostile attitude and strategy, it will be difficult to provide North Korea with aid. However, our government's consistent stance is that in the event that North Korea fulfills the minimum preconditions for reconciliation and cooperation, that is, makes an official request, holds discussions between related officials of the North and the South, and suspends slanderous broadcast on the South, the government can provide aid and cooperation, including rice aid, to North Korea.

The government's basic position is to create a basis for improving North-South relations and expediting the reunification of the fatherland based on compatriot love. In the future, too, the government will continue with its effort to induce change and reform in North Korea, and improve North-South relations, while safeguarding peace of the Korean peninsula.

Esteemed Assemblymen: Today, major countries in the world adopt an economic security-oriented foreign policy, while giving emphasis on their respective domestic affairs. Under such international circumstances, the government's major foreign policy of the new year is to pursue integrated foreign relations for security and to develop new policies on overseas Koreans, while placing emphasis on globalization and economic and trade issues.

The government will participate in the first Asia-Europe summit talks to be held in Bangkok, Thailand in March 1996, and will actively pursue summit diplomacy. In addition, the government plans to actively implement the ROK's role and responsibilities as a member of the UN Security Council, and actively participate in the UN peacekeeping activities.

With an aim to solidifying peace and stability of the Korean peninsula, the government will strengthen integrated foreign relations for security and maintain close relations with the four powers surrounding the Korean peninsula—the United States, Japan, the PRC, and Russia. The government will join the OECD within this year and actively participate in the establishment of a new international economic order, thus enhancing our position and national interests. The government will also exert efforts to accomplish economic development and cooperation in the Asian region pivoted by the Asia Pacific Economic Cooperation.

With a view to developing a policy for overseas compatriots to foster themselves as respected citizens in their respective resident countries and to contribute to the development of the fatherland, the government plans to operate a committee to adopt policies for overseas compatriots. The government will thus take active efforts for them, including the establishment of a foundation to support overseas compatriots.

Esteemed Assemblymen: Our economy last year marked a high growth of over 9 percent. Our exports exceeded $100 billion, and our nation has entered an era in which the national income per person totals $10,000. The consumer price recorded a 4.7 percent increase, maintaining general stability.

Viewing the domestic and foreign conditions surrounding our economy this year, we estimate that amid the trend of continuous growth in the world economy, the international monetary interest rate and the price of raw materials will show a relatively stable trend. We feel that overall economic activities at home will be stabilized on a somewhat lower level than last year.

The impact of last year's high wage increases still lies dormant. Difficulties with small and medium enterprises caused by the expanded opening up and the readjustment of the industrial structure are expected to prevail for the time being. Thus, in operating this year's economy, the government will emphasize achieving stability in the people's everyday life by taking such domestic and foreign economic conditions into account. The government plans to push ahead with the following policies:

First, the government will emphasize injecting more vitality into the people's economic activities on the basis of sustained price stability. First of all, the government will make all possible efforts to maintain our economy's growth rate this year at the level of 7 percent or 7.5 percent, which is its potential rate of growth, and will work to keep consumer price rises within 4.5 percent so that our economy can make a soft landing on the basis of stable growth this year.

Towards this end, we will effectively manage the means of economic policy such as finance, taxation, and banking, thus coping flexibly to changes in economic performance and the economic environment. Along with such macroscopic efforts for economic stability, we will not only continue effecting an innovation in the process of circulation, but will also lead the ongoing wage negotiations to be finalized within the scope of promoting productivity. In this way we will see to it that the system of an advanced country-type price stability becomes fixed at the earliest possible date.

Second, the government will exert all possible efforts so that our small and medium enterprises — which are now suffering serious difficulties in the process of readjusting their industrial structures — can avoid unrest and inconvenience in their business activities. We will also further strengthen our efforts to alleviate the financial difficulties of small and medium enterprises, as well as their manpower difficulities. At the same time, we will continue the work of improving the technology and business management of small and medium enterprises so that their business has a bright future. For this, we will establish a new organization called the Office of Small and Medium Enterprise Administration which will directly take charge of the work of supporting small and medium enterprises. In this way, we will see to it that the work of supporting small and medium enterprises is carried out systematically and substantially. Therefore, I cordially ask you, assemblymen, to offer your special cooperation in deliberating and handling the relevant bills on small and medium enterprises now presented to the National Assembly.

On agriculture and fisheries, we will promote, without fail, the project of improving farm and fishing villages and the project of investing agricultural special taxes which are being carried out by the government. Thus, we will offer bright hope to our farm and fishing villages.

Third, we will more vigorously carry out the ongoing reform of various economic systems and the ongoing policy of alleviating various regulations to improve the business environment. We will actively implement the government's plan to stabilize and improve the ordinary people's living. We will also make continuous efforts for the real name financial transaction system and the system of using real names in real property transactions to take deeper, firmer root among the people. We will alleviate the regulations and restrictions in banking, land, and manpower management in order to reform these fields. In this way we will see to it that our enterprises can eliminate all obstacles arising in their competition with the enterprises of advanced countries.

We will also make efforts to promote stability in the people's living through the stabilization of consumer prices and the strengthening of the policies on natural environment, food safety, and consumer protection — which have a direct effect on the ordinary people's living.

Fourth, we will promote the policy of strengthening the foundation of the state's international competition power on a continuous basis. Through the expansion of social overhead capital, we will eliminate the obstacles arising in circulating materials and alleviate the inconvenience in the peodple's living caused by traffic congestion. We will also actively make efforts to develop science and technology.

Fifth, greeting the era of globalization and the era of localization we will also make great efforts to create an economic environment favorable for advancing into the ranks of advanced countries by readjusting various economic and administrative regulations and practice and by reforming the people's consciousness.

With the birth of the World Trade Organization and with our upcoming entry to the Organization of Economic Cooperation and Development, OECD, we will vigorously promote institutional reforms, which will be conducive to globalizing our economy and to strengthening its international competition power, within the scope of not influencing our economy's sustained growth.

Esteemed Assemblymen: Greeting the era of $10,000 GNP's, the government will strive to upgrade the quality of life befitting the increased income levels and will pursue a balanced development to attain harmony between growth and welfare.

Since we need to pay more attention to the underprivileged class in our country, this year the government will enhance its level of support to 80 percent of the minimum coast of living in order to improve the livelihood of low-income people who lack the ability to work. With this as the beginning, the government will enhance the level to 100 percent by 1998.

The government will expand its support for school expenses of children of low-income families to include high school students majoring in literature and culture, and will enhance the ceiling of rehabilitation loans.

The government plans to build more hospitals specializing in medical treatment of the elderly, including patients of senile dementia and the elderly disabled, and to continue implementing the policy of expanding facilities for vocational training for the disabled and of promoting employment.

Since many domains within the social security system, including medical insurance and the pension system, are incomplete in our country, the government will intensify its relevant policies so it can fully ensure the people's health and old age-incomes.

In our country, the role of women is still restricted, and the systematic mechanisms for supporting potential labor forces that would allow them to fully display their abilities is inadequate. This being the situation, the government will expand opportunities for women to participate in social activities, and will support the development of potential labor forces in compliance with the purpose of formulating the basic law for developing women, a law which was enacted during the last regular session of the National Assembly.

Esteemed Assemblymen: Amid the circumstances in which international competition is becoming more fierce each day, it is very important to consolidate the participation-cooperation relationship between management and workers so that the quality of the worker's lives is upgraded while retaining the competitive power of our economy.

Entrepreneurs should newly arm themselves with a person-centered business management philosophy, and should strive to upgrade the standard of living and cultural level of the workers.

The government resolved to make active efforts to consolidate the system of worker-management relations and practices so that law, order, and various principles are observed in the industrial fields and so that love and trust are realized.

The government will actively develop and supply women, the disabled, the elderly, and all other potential labor forces that can be utilized in a bid to resolve the labor shortage that small and medium enterprises face these days. The government will improve the state's vocational training and technical qualification system so that a satisfactory training system is established and the work of supplying skilled manpower to small and medium enterprises is smoothly carried out.

Esteemed Assemblymen: Without a clean environment, we cannot achieve a life worthy of that which we pursue. The government is well aware that improving the environment is the key to ensuring the people's basic rights and quality of life. As such, in the future the government will concentrate greater investment and efforts in this domain.

I have a keen sense of perception that it is the most important mission of the government to enable the people to drink clean water. Thus, I will enforce the act against contaminating the source of drinking water without exception, even if there is criticism.

The government plans to improve some problems that appeared in the course of implementing the quantity-based trash-dumping expense system so that the system is accepted by the people as an appropriate system to improve their lives. At the same time, the government will actively support the activities of private environmental organizations so that the people's active participation in the environmental protection movement is realized, and will expand investment and support for environmental technology development.

In order to basically prevent ocean-polluting accidents and sea contamination, such as the red tide, the government plans to establish and push ahead with a five-year plan for preventing ocean pollution. The government will designate the severe pollution- stricken coastal sea as a sea zone for special management and care, and will remove the source of pollution at its root.

Because there will be a continuous and rapidly increasing demand for water resources with a steady increase in the national desire for clean water in our country, the government is prudently considering a plan to integrate and reorganize the present dispersed water management systems to secure and manage water resources efficiently. At the same time, the matter of food and pharmaceutical products cannot be overlooked.

As for the food and pharmaceutical products, which are directly connected with the people's daily lives, the government will make particular efforts to ensure that food and pharmaceutical products are supplied for everyone to eat and drink without worries by applying rigorous advanced standards.

Respected Assemblymen: As a responsible person of the government, I sincerely express my regret and apology to the people for the enormous shock and pain they suffered last year from the unexpected major accidents and disasters. Learning a lesson from these major accidents, the government will augment the laws, regulations, and institutions related to safety and implement thorough safety examination of vulnerable and dangerous facilities to put into practice the safety-first policy of treasuring the people's lives and properties.

However, to enhance the safety consciousness and practices up to the standards of advanced countries in all fields, we need a greater awareness and sincere efforts from enterprises and the people as well as from the government.

To build a basis of a safe society, in which the people can live without worries, the government will secure greater investment and specialized manpower and actively consider ways to reform the construction system to fundamentally correct the practice of shoddy construction. At the same time, the government will steadily conduct a campaign to establish a safety culture in which people from all walks of life participate so that safety consciousness and practice may firmly settle in our society.

Respected Assemblymen: To prepare for the advent of the age of globalization and information in the 21st century, the countries of the world are concentrating on the development of education for their people, pushing ahead with educational reform. Based on the educational reform plan announced in May last year, our government is making efforts to establish a new educational system.

The launching by the government of an educational reform promotion committee headed by the prime minister and the creation of a plan to secure an educational fund up to 5 percent of the GNP by 1998 is an educational revolution. Based on this, we are making every effort to push ahead with the educational reform without deviation.

The purpose of the educational reform is to establish a competitive educational system where the versatile characteristics of learners are respected and their creativity is fully developed. We will fundamentally remove the pain the people are suffering from owing to the uniform education centered on preparations for entrance examinations and realize an open educational society, a life-long learning society where everyone can easily receive the kind of education he desires at any time and place.

At the same time, it is also an area of the educational reform to make respecting the elderly and filial dutifulness as part of the people's lives and bring up people with morals, sound values, and qualities of democratic citizens.

It is also an area of reform to harmonize the universality and specialization of education and develop a higher level of education to attain an advanced position in international competition.

The government will introduce a learner-oriented educational system by expanding the optional educational rights of the students and their parents, and ensure that education becomes creative and broad for people through various educational programs and characteristic school management.

At the same time, we will introduce the educational system centered on individual schools based on self-discipline and responsibility, achieve high-quality education through voluntary participation of the parents and the school-related figures, and institute service-oriented educational administration.

To help the growing youths and juveniles grow correctly, I am convinced that, first and foremost, the educational environment should be sound. We all have the heavy responsibility to provide children with a society where they can lead happy lives.

It is our duty to protect children in all fields. In the first place, the government will thoroughly implement the environmental purification drive to areas surrounding schools and businesses the students and school children visit, and continuously push ahead with the preventive measures for abuse of drugs and school violence.

Esteemed assemblymen: Culture is the yardstick determining the quality of people's lives. I believe that now is the time for our government to actively help our people so that they can enjoy a cultural life that conforms with the demands of an era in which the average annual income is over $10,000. Towards this end, the government will expand cultural facilities, promote the globalization of our cultural assets, and push ahead with vigorous cultural exchanges with foreign countries. Thus, we will implant our culture throughout the world.

The government will create various conditions for enhancing the true character of the Korean culture; completely remove the building which housed the headquarters of Japanese colonialist rule, the remaining vestiges of Japan's imperialist aggression; and continue to carry out the rehabilitation work of old Korean royal palaces, including Kyongpok Palace. In this way, the government will make efforts to create a new history of the nation on a continuous basis.

We will make thorough preparations to score good results in the upcoming 26th Atlanta Olympic Games and will offer all possible government-level support in the efforts to host the 2002 World Cup Soccer Championship in Seoul, which will be decided on 1 June of this year.

To say that the success in securing international competitive power in the coming 21st century depends on the speed of developing information and communications is no exaggeration. The efficiency of information and communications, the productivity in enterprises, and the convenience in the people's living alike depend on the development of information and communications.

The government will concentrate its main efforts on investing in accelerating the development of civilian fields' information and communications in conformity with the purpose of enacting the basic law on accelerating the development of information and communications. At the same time, the government will actively push ahead with the work of developing information and communications in the administrative field which directly affects people's lives. For this end, the government will provide active support to establish by 2015, a super high-speed information and communication network linking all public organs such as state and locally autonomous organizations, enterprises, and households throughout the country.

Esteemed assemblymen: I believe that creating an atmosphere in officialdom in which all public servants can sincerely work with a sense of fulfillment and dignity, is key to providing the people with a better quality of public service. The government will establish the public servants' ethics system to create an honorable and clean public service climate. At the same time, the government will make continuous efforts to improve public servants' welfare and to enhance their dignity, and to bestow them with social recognition.

The government will make utmost efforts to establish law and order so that all the people can live in peace, free from the danger of crime. The government will concentrate its efforts on the prevention of crimes and on removing various environmental conditions which can become a hotbed of crime. In particular, the government will make greater efforts to root out student gangs and organized gangs and, in particular, drug peddlers and addicts.

The government will continue efforts to institute reforms in those systems which are a hindrance to people's lives. Hence, the government will further strengthen the activities of the Administration Innovation Committee and the Committee for Handling the People's petitions. In this way, the government will continuously push ahead with the improvement of systems and the alleviation of regulations in conformity with the demands of the era of globalization and the era of localization. Thus, the government will do its best to establish administrative foundations and systems in accordance with the demands of the next century which is close at hand.

Esteemed speaker and assemblymen: This year is an important historic year in which we should prepare ourselves earnestly for the 21st century, after sending off the half century of national liberation and division.

I believe that this year, all of us should perform our mission of the times so that the year 1996 becomes the first year of creating a new history in the second founding of the country.

All of us are now standing together before the historic task of building a genuinely advanced, welfare state; a top-class nation of the world; a morality-oriented state; and a reunified nation that is at the center of the world due to the economic strength and the success in democratization gained through our people's blood and sweat over the past half century.

The government sincerely hopes that all of our people will be united as one with a firm conviction about our bright future, so as to embody this historic goal of the nation. Before all of you assemblymen, I vow to the people that the cabinet and all public servants will build a government that the people can trust and love and that we will make all possible efforts so that the government can become the paramount wheel for national unity.

I ardently hope that you assemblymen will all provide unreserved cooperation and encouragement so that the government and the people can be firmly united as one mind and can surmount all difficulties and pioneer a hopeful future. Thank you.

ROK: Yi Hoe-chang Holds News Conference on Joining NKP

SK2201082796 Seoul YONHAP in English 0751 GMT 22 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 22 (YONHAP) — Former Prime Minister Yi Hoe-chang said Monday that he decided to join the ruling New Korea Party [NKP] in order to contribute to the development of politics in South Korea.

In a press conference held shortly after the presidential spokesman announced his scheduled entry into the party, Yi said, "I hope I will be able to contribute my poor ability, if any, to establish a cleaner and more advanced political culture where law and principle are respected."

Yi, who served as prime minister under President Kim Yong-sam from 1993 to 1994, disclosed that he had been requested several times by the chief executive to join his party earlier this year.

"It was difficult for me, as a person who participated in the current civilian government from its early stage, to turn down the earnest wish of President Kim who wanted political stability at this difficult time," he said.

At the early stage of the current administration, the former judge took office as chairman of the Board of Audit and Inspection and later became prime minister. However, he resigned reportedly due to discord with the president in 1994.

He expressed the hope that he could contribute to the overcoming of the wasteful controversy over conservatism and reformism. He wished he could be of help to reforms for national stability and development based on conservatism.

The NKP has tried to invite influential figures in an effort to strengthen its campaign for the upcoming general elections on April 11. Yi is the second political "bigshot" to become a member of the NKP in less than a week, with former lawmaker Pak Chang-chong joining the party last week.

On his role for the elections, he said he was not told anything about that by President Kim. "There may be procedures of the party's formal organization soon, I think. I will follow the decision of the party," he said.

According to informed sources, Yi may be assigned as the head of the party's election campaign headquarters. He is also reportedly the top candidate to become a National Assemblyman for the NKP under the national representation system.

On whether or not he would run for the presidency in the 1997 presidential election, he only said, "I have never thought about that and it's not something that I should think about now, either."

The new NKP member did not elaborate on whether or not he advised President Kim at their meeting to disclose the amount of campaign funds that the chief executive used during his 1992 presidential bid.

Yi said he had had meetings with President Kim several times before deciding to join the party at the beginning of this year.

"But I cannot disclose, as a matter of courtesy, what the president and I talked about at the meetings," he said.

ROK: Opposition Reacts to Yi Hoe-chang Joining NKP

SK2301020496 Seoul THE KOREA TIMES in English 23 Jan 96 p 2

[FBIS Transcribed Text] Outwardly, opposition parties are trying to play down former prime minister Yi Hoe-chang's joining the ruling New Korea Party. In reality, they look surprised at something they feared has taken place at last.

The United Liberal Democrats led by Kim Chong-pil and the minor opposition Democratic Party have been trying to show that they don't care who the NKP recruits, as if it was none of their business.

However, the major opposition party, National Congress for New Politics led by Kim Tae-chung now burning with ambition for the presidency, looked as if it had been hit from behind.

Yi's joining the ruling party was not out of the question. However, it is the worst conceivable scenario which NCNP leader Kim wanted to avert for his fourth bid for the presidency. Yi's joining the NKP was like Yi obtaining the presidential nomination of the party for a showdown with NCNP leader Kim.

Yi commands a considerable popularity among the people without any special regional bonds. He is from the central part of the nation, politically no-man's land. Besides, he is a graduate of Kyonggi High School and the Law College of Seoul National University, whose graduates make up most of the high ranking officials in government, business and society. If he well takes advantage of public disenchantment with the three Kims, he has a chance. The NCNP's worry about this was well illustrated in a comment by its spokesman Pak Chi-won.

Yi's joining the ruling NKP well shows how unprincipled he is to join the ruling party, citing the fact that it was Yi who attacked President Kim Yong-sam for steering the nation "arbitrarily" when he gave up the premiership, he said. [sentence as published]

Rep. Son Se-il, chairman of the policy committee of the NCNP, berated Yi's action by saying that the popularity he enjoys by challenging President Kim will only prove to be a "fleeting bubble."

Regarding the former prime minister's joining the NKP, Rep. Pak Sil of the NCNP said it only shows that his challenge to President Kim was not out of his political conviction but only a shallow tactic for popularity.

NCNP secretary-general Rep. Cho Sun-hyong said the former prime minister is held in high public esteem because he had the courage to call a spade a spade. Now, he has to tell the nation how much leeway he was assured by President Kim in handling national affairs.

ULD spokesman Ku Chang-nim said Yi's joining the NKP is only a matter of the ruling party as if it were a fire across the river. He said he felt no need to make any special comment. But ULD leaders to not hide worry about the impact Yi's joining the NKP will possibly wreak upon the forthcoming elections of the National Assembly.

DP floor leader Yi Chol said a pine tree has its value when it is in the mountains. It will lose its proper value if it is transplanted to be used as a mere "windbreaker" for a man in power, he said.

Rep. Pak Kae-tong of the DP lamented Yi's joining the NKP because it is like seeing a believer in laws and principles being pulled by the power of politics.

Rep. Chang Ki-uk of the same opposition party said he felt sad as if seeing the law crumble before the power of politics.

ROK: Entry of 'Heavyweights' Into NKP Analyzed

SK2301040196 Seoul THE KOREA HERALD in English 23 Jan 96 p 2

[Report by staff reporter Sin Yong-pae]

[FBIS Transcribed Text] The ruling New Korea Party [NKP] is admitting some potential heavyweights to the party to enhance its chances of winning the upcoming general elections at a time when political analysts suspect it may fail to become a majority party in the upcoming parliamentary elections.

It is uncertain how much they will contribute to boosting the ruling party's chances of winning the April general elections.

But it is apparent that their admission to the party will intensify competition for the presidential nomination after the general elections. The presidential election is scheduled for late next year.

They are certain to delve into internal power struggles against some senior ruling party lawmakers who have hinted they will run for the presidency.

In the opposition camp, Kim Tae-chung and Kim Chong-pil are certain to run in the presidential election in December 1997.

Ruling party officials said its chances of winning the general elections were boosted when Yi Hoe-chang, former prime minister, agreed yesterday to join the party.

Both ruling and opposition parties had tried to win over Yi to their side ahead of the general elections.

Yi, who is well known to the public for his zeal for reform and integrity, has yet to disclose whether or not he will seek the presidency.

But various opinion polls have listed Yi as a strong potential candidates for the presidency.

Yi's admission to the ruling party is the latest in the party's efforts to bring celebrities into the party to win the general elections.

About a week before his admission to the party, Pak Chan-chong, a maverick politician who tried in vain to win the 1992 presidential election and the 1995 Seoul mayoral election, joined the ruling party.

Ruling party officials believe that the admission of Yi and Pak will help the party draw more voter support in Seoul and its surrounding Kyonggi Province.

The competition among political parties in the metropolitan region is expected to be the fiercest as they believe that the outcome of the elections in the region will sway their political future.

The population of Seoul and its vicinities accounts for a one quarter of the nation's total population.

The ruling party is also planning to admit former Prime Ministers Yi Hong-ku and Kang Yong-hun to the party to draw support from conservative voters in particular.

The outcome of the elections in the metropolitan region is also expected to sway Lee and Pak's chances of being nominated as the party's presidential candidate, party officials say.

Party Chairman Kim Yun-hwan said that the party's successor to President Kim Yong-sam will emerge after the general elections.

Chairman Kim, one of the strong potential candidates for the presidential nomination, recently said he will reveal after the elections whether or not he will seek the presidency..

Other potential candidates in the party are Rep. Choe Hyong-u and former lawmaker So Sok-chae, both close aides to President Kim, and Vice National Assembly Speaker Rep. Yi Han-tong.

Choe and So command their popularity in Pusan and its surrounding South Kyongsang Province, President Kim's home turf, while Yi Han- tong wields great political influence in Kyonggi Province.

But it may be too early to predict whom President Kim will handpick as his party's standard-bearer among the potential candidates, which include Yi Hoe-chang and Pak Chan-chong.

However, in the eyes of President Kim, who promises a generational change in the nation's leadership, the political heavyweights may not be fully qualified as the next president of the nation.

President Kim has said the ruling party's presidential candidate will come from the young generation.

Yi, Pak and other potential candidates for the presidency, are all in their late 50s or early 60s.

ROK Article Views Repercussions of Yi's Joining NKP

SK2401005196 Seoul THE KOREA TIMES in English 24 Jan 96 p 2

[Article by staff reporter Pak Sung-yong]

[FBIS Transcribed Text] Popular ex-prime minister Yi Hoe-chang's abrupt decision to join the ruling New Korea Party could change the outcome of April's crucial general elections and the party's presidential nomination race, analysts said yesterday.

Yi has been rated very favorably in opinion polls and as a possible match for top opposition leader Kim Tae-chung, a declared 1997 presidential hopeful. And both the ruling and opposition parties had tried to entice the ex-premier to join their camps. Accordingly, they said, his joining the ruling party could seriously affect the results of the upcoming elections and change the power structure in the NKP.

As reflected in the major opposition National Congress for New Politics' prompt and strong denunciation of him, Yi's becoming a member of the ruling camp has provided it with major political "capital" ahead of the April polls.

Yi has been called "a symbol of reform and integrity" who won widespread public support for his strong anti-graft campaign as head of the Board of Audit and Inspection until he was appointed premier in December 1994. He became more popular after he quit four months later in disagreement with President Kim Yong-sam's governing style and the level of political power he could exercise as prime minister. Analysts said when President Kim tried to bring Yi back into the fold, it demonstrated the growing concern in the ruling camp over a possible election defeat in April.

The ruling camp suffered a crushing defeat in local elections last June, losing control of most major cities and provinces. It still holds a majority in the National Assembly. The defeat prompted Kim to take steps to restore the party's popularity, to include speeding up reform measures, recruiting respected politicians and changing the name of his party. But instead he found himself facing a wave of defections by conservatives in the party rather than restoring the party's popularity.

Ruling party officials said they expected the popular ex-premier billed as "Mr. Clean" to give credibility to the President's campaign to set history right and thus help the party in the April elections.

"Particularly, we believe the President's efforts to bring Yi into the party will help it overcome its 'identity crisis', a result of the 1990 merger between President Kim's opposition group and the then ruling party, set up by former presidents Chon and No," an official said.

On top of this, the analysts said Yi's joining will have significant influence on the outcome of the competition for the NKP's presidential nomination, which is expected to heat up after the general elections. President Kim reportedly asked Yi to lead the ruling party to victory in the April elections, where the party is widely expected to face an uphill battle, indicating the ex- premier would be made its campaign manager.

If the NKP suffers a major setback again in April's polls, they said, it will put the brakes to "politician" Yi's move to become the NKP's standard-bearer. Otherwise, it is highly likely that he will emerge as the party's successor to President Kim, and thus calm down the intensifying competition for the presidential nomination among possible candidates including party chairman Kim Yun-hwan and Pak Chan-chong, a maverick politician who joined the party last week.

Other potential candidates in the ruling camp are Rep. Choe Hyong-u and former lawmaker So Sok-chae, both close aides to President Kim and Vice Assembly Speaker Rep. Yi Han-tong.

After all, they said, whether Yi will come near to realizing his "great ambition" or not will depend upon the outcome of the elections, especially in the metropolitan region the results of which the parties believe will hold their political future.

As for Yi, his joining the ruling party could tarnish his clean image he acquired as a "crusader of the rule of law," a party official said.

But nobody can predict if he will succeed in breaking up the current political structure based on time-honored regional rivalry among southeastern Kyongsang, southwestern Cholla and central Chungchong provinces, each of which is respectively represented by President Kim Yong-sam, NCNP leader Kim Tae-chung and Kim Chong-pil, president of the minor United Liberal Democrats. His political acumen has yet to be tested.

Observers said, accordingly, it is time to watch what political role Yi, who quit as premier because he found himself relegated to ceremonial duties, will play in the ruling party featured by conflicts of interest among members, a wide ideological spectrum and deep-rooted factional structure, and controversy between conservatives and reformists.

ROK: Issue of Kim Yong-sam Successor Interests NKP

SK2401075996 Seoul YONHAP in English 0733 GMT 24 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 24 (YONHAP) — With former Prime Minister Yi Hoe-chang and former Lawmaker Pak Chan-chong joining the New Korea Party (NKP), the issue of who is going to be the next standard-bearer for the ruling camp in the 1997 presidential election has become a matter of great interest in political circles.

Chongwadae [presidential offices] appears to be indifferent to increasing press speculation about the ruling camp's ideas about President Kim Yong-sam's successor.

The next presidential election is still two years away, and choosing a presidential nominee now would be extremely premature, since now is the time for an all-out effort to become a stable majority party in the April parliamentary elections, so that President Kim's remaining two years in office are politically stable, according to Chongwadae officials.

The next ruling party presidential candidate in large part hinges on what will happen in the April parliamentary elections, so any discussions about 1997 presidential candidates is only speculation.

Chongwadae officials have understandably shown no reaction whatsoever to press stories about the ruling camp's presidential candidate-hopefuls in the 1997 election.

"Those who have been named by the press as hopefuls are being very careful not to let their future political plans be known, restraining themselves from making any comments about the next presidential election, but the press is going too far in dealing with them," an official said.

President Kim said in a press interview last September that his successor as the head of state should be armed with high moral standards, vision and leadership, and added that a politician discussing the successor issue now would only inflict political damage on himself.

The recruitment of Yi and Pak highlights the ruling party's determination to accommodate reformists and young fresh political forces as part of its effort to secure a stable majority in the 15th general elections that brings political stability, another official said.

"This is the time to concentrate on efforts to win the coming elections, not to discuss the presidential nominee for the 1997 election," he observed.

In an interview with a provincial newspaper late last year, President Kim said he did not have anybody in particular in mind to succeed him because a lot can happen and many things can change before the next presidential election.

President Kim could not possibly even imagine who his successor might be without first seeing the results of the general election in April, according to Chongwadae officials.

The ruling camp seems to interpret the two political heavyweights' joining in NKP as signs of new political forces emerging.

With these new forces becoming part of the ruling camp's political mainstream, it would also seem that political power born of past military-backed authoritarian governments has collapsed and that the three Kim era in South Korean politics is fading away. In other words, it signifies a generational shift in politics.

ROK: Opposition's Kim Tae-chung Speaks in Pusan

SK2301070296 Seoul THE KOREA HERALD in English 23 Jan 96 p 2, 10

[Article by staff reporter Nam In-su]

[FBIS Transcribed Text] It is an old campaign technique for the ruling party to assert that the nation will only be politically stable if it wins a comfortable majority of parliamentary seats.

With a slim chance to control the National Assembly, opposition parties hardly attacked the slogan in past elections.

But in the upcoming general elections, in which the ruling party is expected to face an uphill battle, an opposition party maintains it can ensure political stability even if it wins a plurality of National Assembly seats.

The main opposition National Congress for New Politics has said that it will emerge as the largest party in the general elections to check the ruling party.

"The absence of an opposition party that is strong enough to check the ruling party is one cause of the current political chaos," said Kim Tae-chung, leader of the main opposition party.

He said that the nation will be ensured of security and economic stability only when his party obtains the largest number of parliamentary seats in the general elections, slated for April 11.

The continuing bankruptcies of small enterprises and other crises result from President Kim Yong-sam's haughty and suppressive politics unchecked by the opposition.

Kim Tae-chung made the remarks Sunday when he visited the southern port city of Pusan, the political home ground of President Kim Yong-sam's ruling New Korea Party.

The Pusan visit came as part of his efforts to drum up voter support for his party on enemy turf ahead of the April elections, in which the main opposition party aims to win about 120 parliamentary seats out of 299.

The ruling party, which is losing voter support, will only take up one hundred seats or so in the elections, a main opposition party spokesman said.

In response, the ruling New Korea Party accused the main opposition party of hoaxing voters to believe that it can deliver stability though its dominance, which would spell only instability.

"Kim Tae-chung is paying a lip service to voters when he said that a stronger opposition party will only bring forth political stability," ruling party's spokesman Son Hak-kyu said.

If his party emerges as the No. 1 party, the spokesman said, Kim Tae-chung would only use the favorable situation to his political advantage-a fourth bid for presidency next year.

Since he returned to politics last year from his self-imposed retirement after he was defeated in the 1992 presidential elections, the main opposition leader has strongly hinted at his fourth bid.

Rep. Kang Sam-chae, the ruling party's secretary-general, said that the nation's politics has fallen into chaos whenever Kim tae- chung came to the fore.

"We need to remember that political and economic situations were unstable in the past when opposition lawmakers outnumbered their ruling party colleagues in the National Assembly," Kang said.

The stability controversy between the rival parties followed a recent similar political debate over their ideological color.

The ideology war began when the main opposition party accused the ruling party.of luring both ultra leftists and ultra rightists to field them in the April elections.

Kim Tae-chung has demanded that the ruling party make clear its party color.

Political analysts say that the main opposition party is taking a series of preemptive attacks to weaken the ruling party ahead of the general elections.

Kim Tae-chung raised the stability issue in his bid to embrace voters from the conservative middle class, who will determine the electoral outcome, said a political analyst.

The main opposition party leader has said that his party follows the political line of moderate conservatives.

The analysts also point out that Kim Tae-chung first took issue with the parties' ideological color to avoid being attacked once campaigns are in full swing.

In past general and presidential elections, Kim has been a victim of the "color controversy," as his rivals claimed that his political color is of a leftist leaning toward North Korea.

ROK: Chon Tu-hwan Court Challenge 'Small Victory'

SK1901032496 Seoul THE KOREA HERALD in English 19 Jan 96 pp 1, 10

[By staff reporter Kang Song-chol]

[FBIS Transcribed Text] Former President Chon Tu-hwan has scored a small victory in his challenge against what he calls a politically motivated persecution against him.

His move to nullify a law specially enacted to punish him and his associates will now be referred to the Constitutional Court, following his appeal Wednesday night.

The 64-year-old ex-president claimed that the law is retroactive and thus unconstitutional.

Nobody can say for sure now what decision the court will make. The ruling is expected in three to six months and will have serious repercussions judicially and politically.

The development can also provide a rallying cause for Chon's associates, mostly former Army generals, in desisting moves against them.

Seen in a broad picture, however, Chon's small legal victory will end up as a mere psychological one and a slap on the wrist of political circles which acted somewhat hastily.

Regardless of the court's deliberation, Chon can hardly escape judicial action now underway.

First of all, the corruption trial accusing Chon of illegally amassing huge amounts of slush funds while in office will proceed as scheduled.

Bribery charges are not within the scope of the special law, which was enacted last month with a view to bringing to justice the key figures in the 1979 military putsch and the 1980 crackdown of civilian protesters in Kwangju.

Chon is accused of engineering the two incidents, following which he rapidly rose to power in the political vacuum following the Oct. 26, 1979 assassination of President Pak Chong-hui.

His charge stemming from the military mutiny will also not be affected by the Constitutional Court's decision on the appeal.

The statute of limitations for military mutiny is 15 years, but the unanimous view in the legal circles is that it was suspended while he was in office from 1980 to 1988.

The point of controversy is over whether the prosecution can press treason charges, which also carry a statue of limitations of 15 years, against Chon.

Before the special law was enacted, there had been argument over the interpretation of a pertinent article in the Constitution. Some experts then put forth the view that it was too late to bring treason charges against Chon.

The Constitutional Court had a chance to make a verdict on the question last year when human rights activists raised an appeal regarding a case on the 1980 suppression in Kwangju.

It terminated the case, however, after appellants canceled their appeal out of fear that the court might give a ruling in favor of Chon.

The court will now have to deliberate on the issue again, and its decision will also affect a number of Chon's former associates, including ex-President No Tae-u, Chon's friend and his immediate successor as President.

No is now on trial on charges of taking more than 280 billion won in bribes from 35 businesses during his term of office from 1988 to 1993.

In the meantime, Chon's legal battle has provided a snag for prosecutors in charge of the mutiny and treason cases.

After the Seoul District Court decided yesterday to refer the appeal to the Constitutional Court, the prosecution had to set free two former aides of Chon's who had been in custody.

The court will reserve its decision on whether to issue arrest warrants for Chang Se-tong and Choe Se-chang until after the Constitutional Court's ruling.

The two, who also filed appeals, asserted that the statute of limitations for their charges stemming from the 1979 military mutiny had been expired.

The court issued warrants, however, for three others who were charged with treason in connection with the Kwangju crackdown.

ROK Finance, Economy Ministry on Major Plans for 1996

SK1601034496 Seoul THE KOREA TIMES in English 16 Jan 96 p 9

[FBIS Transcribed Text] The government announced it had decided to revise its outdated bilateral tax treaty with Japan in a move to stimulate the flow of investment between the two countries.

Korea will also streamline the rules this year to prepare for the nation's opening of the procurement market to foreigners in 1997.

Seoul will chart a new cooperative economic relationship with Russia, moving away from the past position that Korea would not resume economic cooperation with Russia until it fully repays its long overdue debts to Seoul.

These are the main points of the Ministry of Finance and Economy's plans for this year.

The ministry said it will study ways of introducing a professional currency brokerage system this year, a major departure from the current bank-to-bank direct dealings. However, it said it had not finalized details.

A bill of taxpayer rights will be promulgated this year as part of the steps to modernize and globalize the nation's tax administration, it said. The bill of rights will highlight that taxpayers must be given an unbiased and fair access to tax information, and that taxpayers have the right to fair taxation, that taxpayers must be given assistance from experts, the ministry said.

ROK Switching System Manufacturers in 'Fierce' Battle

SK2401013496 Seoul THE KOREA TIMES in English 24 Jan 96 p 8

[FBIS Transcribed Text] Four domestic switching system manufacturers have launched fierce marketing battles, thus ending the honeymoon-like equal participation strategies they have heretofore followed.

Samsung Electronics Co., LC Information & Communications, Daewoo Telecom and Hanwha Telecommunication Co. will no longer seek to divide up the domestic market among themselves.

Korea Telecom, Korea's main common carrier, had decided to select a winner in bids for an advanced switching system, or TDX-100, to be used from 1998 on. The idea behind this is that domestic makers may sharpen their competitiveness in the face of market opening.

At present, all four domestic makers have been given nearly equal opportunities and have been encouraged to develop automatic electronic switching systems under existing government policies.

A Korea Telecom official said, "If current system persists, no Korean manufacturer will survive cutthroat competition with foreigners in the near future. As a result, we are obligated to introduce competition among domestic firms prior to opening the market."

To this effect, Samsung and LG have formed a consortium and submitted a request for proposal (RFP) involving a TDX-100, an improved version of the TDX-10, to Korea Telecom last Saturday.

However, Daewoo and Hanwha have filed separate RFPs as they have no choice. As a result of a Samsung-LG consortium, Daewoo and Hanwha are expected to compete for one contract in 1998. AT&T will be another strong player in the contest as it is likely to be given equal opportunity.

An LG official said, "We have had to join hands with a strong partner like Samsung to survive the competition. If LG and Samsung competed against each other, neither could expect to win."

A Hanwha official said, for his part, "We as well as Daewoo should be eager to have a showdown with such a powerful consortium."

The TDX-100 is to be developed by early 1998 and its is expected to cost an estimated 100 billion won; its main rival is the 5ESS- 2000, AT&T's latest version. The TDX-100 will also be used with integrated services digital network (ISDN) as well as asynchronous transfer mode (ATM) lines which will speed up a variety of high- bandwidth, high-volume transmission tasks.

The advanced system is to replace existing analog switching systems which have been used for more than 10 years, such as AT&T's NO1A and Alcatel's M10-CN, a Korea Telecom official said.

AT&T had already put pressure on Korea Telecom to be allowed to take part in the bid with its latest equipment, which could easily beat the existing TDX-10, both in terms of price and of capability.

The strategic alliance between the LG and Samsung aims at cutting huge amounts of money to be spent in the development of the next generation of switching systems and shortening the development period by making use of each other's advanced technologies, a Samsung official said.

In addition, they will be engaged in the development of personal communication service (PCS) equipment with the surplus labor, time and capital generated by the project, he noted. Korea Telecom has also decided to choose its two main suppliers of PCS equipment which is expected to be commercialized in 1998.

Domestic switching system makers are expected make a grab for a PCS equipment supply contract.

They are also expected to develop strategic ties with Motorola and Qualcom, both of the United States, in order to acquire core CDMA (code division multiple access) technology for PCS service. Both U.S. companies have patents for the basic CDMA technology.

ROK 'Chronic Deficit Makers' Yield Profits in 1995

SK2501010896 Seoul THE KOREA TIMES in English 25 Jan 96 p 8

[Report by staff reporter Chae Hi-muk]

[FBIS Transcribed Text] Chronic deficit makers put their account books in the black, and a few chalked up record profits in 1995 when the automobile and electronics industries were in continuous prosperity.

Two of three major Korean automakers, Daewoo Motor Co. and Kia Motors Corp., reversed their huge deficits in 1994 to profits last year.

Daewoo, which had suffered losses since 1990, is estimated to have earned some 10 billion won in net profits on some 3.7 trillion won in turnover last year thanks to an alarming growth of more than 30 percent in exports, according to Daewoo officials. Daewoo has projected to sell 4.5 trillion won in cars this year, up 28 percent from last year.

Kia, which recorded some 70 billion won in losses due to a huge amount of investment to expand assembly lines and the domestic car market in 1994, also saw an impressive 25 percent increase in sales from the year earlier to 5.7 trillion won in 1995, resulting in an estimated profit of 15 billion won.

A Kia official said, "It's clear we made profits last year. But the exact amount will be available at the regular shareholders meeting."

Hanwha Energy, a chronic deficit recorder in the oil refining sector, garnered some 10 billion won in net profits last year, although the exact amount has yet to be revealed.

Profit makers such as Korean Air (KAL), Pohang Iron & Steel Co. (POSCO) and Samsung Electronics Co. set unprecedented records.

KAL, leader of the two Korean flag carriers, transported 21 million passengers last year, resulting in more than 3 trillion won in turnover. Korean Air, which earned 16.8 billion won in 1994, is reported to have chalked up unprecedented profits of some 100 billion won last year.

A KAL official, however, denied the report on profits, saying, "The profits will be calculated by early February. The figure may mislead shareholders and clients." He added that KAL especially profited from the Korea-China air route and overturned the chronic deficit on local air routes to profits.

Samsung Electronics, which is raking in the money with its semiconductor sales overseas, recorded an estimated 2.5 trillion won in net profits last year, the largest amount a single Korean company has ever earned in the nation's business history. The ultra blue- chip manufacturer also made huge profits worth 940 billion won in 1994 and 155 billion won in 1993.

Hyundai Electronics Industries, which jumped into semiconductor manufacturing some 10 years later than Samsung in the 1980s, has rapidly been increasing its profits thanks to continuous prosperity worldwide.

Hyundai is also estimated to have raked in approximately 1 trillion won in net profits last year, according to Hyundai officials. The company earned 126.9 billion won in net profits in 1994 and 54.8 billion won in 1993.

Those which have made huge profits have been worrying about how they should use the profits, although they set aside much for dividends, reinvestment and corporate reserve and repayment of short-term loans.

In particular, POSCO has been under pressure to lower the prices of steel products for its clients, a POSCO official said.

ROK NSA Statistics on South Korean Standard of Living

SK2401093496 Seoul YONHAP in English 0918 GMT 24 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 24 (YONHAP) — South Koreans' living standards have improved dramatically in the past 30 years as a result of a huge economic expansion, and there is good chance that this trend can be sustained, according to statistics compiled by the government Wednesday.

The average age of South Koreans was 31.2 years last year, indicating that the workforce is relatively young. This is significant because continued growth will depend to a large extent on the average citizens' desire and ability to continue studying and working more hours than their foreign counterparts. It compares with India's 25.9, Japan's 38.1, France's 37.4, and the United States' 35.4.

The 1995 social indicators report released by the National Statistical Administration (NSA) suggests that the country's educational system is improving steadily in such key areas as student-teacher ratio.

More than half the students who graduated from secondary schools last year went on to study at two-year junior colleges or universities, according to the NSA data.

The state welfare and environment budgets, however, lagged far behind those of advanced countries.

The entire population was 44,851,000 as of July 1, 1995. The average age for males was 30.2 years, and for females it was 32.2 years.

Economically active people between 15 and 64 in age comprised 71.1 percent of the total population compared to 69.2 percent in 1990. But the proportion of children aged 14 or below fell to 23.2 percent from 25.8 percent in 1990, while the people aged 65 or over accounted for 5.7 percent, up from 5 percent.

The proportion of employed workers aged 55 and older to the entire population is also up from 10.8 percent in 1980 to 14.9 percent in 1994. The proportion of women who remain in the work force for more than five years increased from 6.5 percent in 1980 to 23.5 percent in 1994.

The proportion of students declined from 27.7 percent in 1980 to 23.4 percent last year.

The number of students per teacher in primary schools slid from 47.5 in 1980 to 28.3 in 1995, from 44.9 to 24.8 in middle schools, and from 33.3 to 21.8 in high schools, the index said.

The data shows that school attendance rates for middle-school- and high-school-aged children were 99.9 percent and 98.5 percent, respectively.

The rate of high school graduates advancing to colleges and universities has soared from 45.3 percent in 1994 to 51.4 percent. With successful repeaters of admission tests taken into account, it was up from 1994's 63.1 percent to 74.2 percent, which means that three out of every four high school graduates are receiving tertiary education.

An average worker worked for 48.9 hours per week in 1993, compared with 50.7 hours in 1989. The figure compares with Singapore's 49.2 hours, Japan's 37.7 hours, Germany's 40.9 hours and Mexico's 45 hours.

One out of every 8.6 people had a passenger car in 1995, compared to one out of 153 in 1980, and the rate of traffic fatalities fell sharply from 106 per 10,000 vehicles in 1980 to 14 in 1994. The comparable figure in Japan was 1.6 and in Germany, 2.4.

The nation's daily beef consumption per capita increased from 7.1 grams in 1980 to 16.7 grams in 1994, the source stated.

There was one doctor for every 1,690 people in 1980 compared to one for every 870 in 1995, the source said.

There were 21.6 cellular phone and 143.1 pager subscribers per 1,000 people last year, the source said.

There were 130.1 subscribers to personal computer communications services per 10,000 people in 1994, up from 0.1 in 1987.

The social security and welfare expenditures accounted for a mere 2 percent of the nation's total budget in 1994, compared with Sweden's 24.1 percent, Denmark's 18.7 percent, Britain's 12.9 percent and the United States' 6.9 percent.

The frequency of such felonies as murder, robbery, rape and violence has increased steadily, while larcenies have declined in number.

The ratio of crimes committed by females soared from 10.8 percent of the total in 1980 to 13.5 percent in 1994.

Burma

Cambodian Foreign Minister, Delegation Arrive in Rangoon

BK2601101896 Rangoon TV Myanmar Network in Burmese 1330 GMT 25 Jan 96

[FBIS Translated Text] A Cambodian delegation led by Ing Huot, minister of foreign affairs and international cooperation, arrived in Yangon [Rangoon] by air this morning at the invitation of U Ohn Gyaw, minister of foreign affairs of the Union of Myanmar [Burma].

The Cambodian delegation was welcomed at the Yangon International Airport by Foreign Affairs Minister Ohn Gyaw and responsible personnel. The Cambodian minister of foreign affairs and international cooperation was accompanied by Dr. (Chan Vitdra), permanent secretary of the Ministry of Foreign Affairs and International Cooperation, and responsible personnel of the ministry.

Foreign Minister Ohn Gyaw received the visiting Cambodian delegation led by Ing Huot at 1500 today at the Foreign Ministry's Annex Building.

After the initial meeting, the delegates from both sides held talks at the Annex Building's meeting hall. Foreign Minister Ohn Gyaw was accompanied at the meeting by Deputy Foreign Affairs Minister U Nyunt Swe; U Thein Han, Myanmar's ambassador to the Lao People's Democratic Republic; the director general of the Foreign Ministry; and responsible personnel. The Cambodian foreign minister was accompanied by Dr. (Chan Vitdra) and Cambodian delegates.

They held cordial and frank discussions at the meeting on matters concerning bilateral relations and regional and international affairs.

High-Level Singaporean Delegation Arrives in Rangoon

BK2301033996 Rangoon Radio Myanmar in Burmese 1330 GMT 22 Jan 96

[FBIS Translated Text] A high-level Singaporean delegation led by Mr. Yeo Cheow Tong, minister of trade and industry; Mr. Mah Bow Tan, minister of communications; and Mr. Lim Hng Kiang, minister of national development and deputy minister of foreign affairs; arrived by air at Yangon [Rangoon] International Airport at 1000 today. The delegation is to attend a Joint Ministerial Working Committee meeting to further increase economic, trade, and investment activities between Myanmar [Burma] and Singapore.

The delegation was welcomed at the airport by Brigadier General Abel, minister of national planning and economic development; Singaporean Ambassador Mr. Calvin Eu Mun Hoo, and responsible personnel from the ministry of national planning and economic development.

Brig. Gen. Abel hosted a dinner for the delegation at the People's Park Restaurant in the evening.

Burmese Official Receives Singapore Delegation

BK2301152396 Rangoon Radio Myanmar in Burmese 1330 GMT 23 Jan 96

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], received a high-level Singapore economic delegation led by Mr. Yeo Cheow Tong, minister of trade and industry; Minister of Communications Mr. Mah Bow Tan; and Mr. Lim Hng Kiang, minister of national development and deputy minister of foreign affairs, at the Reception Hall of the Defense Services Guest House on Inya Road at 1430 today. Also present were Lt. Gen. Kyaw Ba, minister of hotels and tourism; Brigadier Gen. Abel, minister of national planning and economic development; Foreign Minister U Ohn Gyaw; Brig. Gen. Maung Maung, minister of livestock breeding and fisheries; U Soe Tha, minister of communications, posts, and telegraphs; Transport Minister Lt. Gen. Thein Win; Mayor U Ko Lay, chairman of Yangon [Rangoon] City Development Committee; responsible personnel; and Singapore Ambassador Mr. Calvin Eu Mun Hoo.

A ceremony to sign the Myanmar-Singapore air transport agreement was held at the Defense Services Guest House on U-yin Road at 1430 today. It was attended by SLORC Secretary-1 Lt. Gen. Khin Nyunt and responsible officials. First, Transport Minister Lt. Gen. Thein Win and Minister of Communications Mr. Mah Bow Tan delivered addresses. Later, the Myanmar-Singapore air transport agreement was signed by Lt. Gen. Thein Win and Mr. Mah Bow Tan on behalf of their respective governments, after which the documents were exchanged.

An air transport agreement was first signed between Myanmar and Singapore on 26 April 1976. As amendments have been made to the agreement over the past 20 years, a new and updated agreement was signed today.

The first Myanmar-Singapore joint ministerial work committee meeting on bilateral economic cooperation was held at the Hall of the Defense Services Guest House on Inya Road at 1430. Lt. Gen. Khin Nyunt, chairman of the Myanmar Ministerial Work Committee and SLORC secretary-1, and Mr. Yeo Cheow Tong, chairman of the Singapore Ministerial Work Committee and minister of trade and industry, delivered opening addresses. Later, talks were held on increasing economic, trade, and investment activities between Myanmar and Singapore and the prospects for cooperation in hotels and tourism, agriculture, and human resources development. The meeting ended in the evening after closing speeches by Lt. Gen. Khin Nyunt and Mr. Yeo Cheow Tong. After the meeting, Khin Nyunt and the ministers and the Singapore delegation had a photo session.

Singapore Minister Pledges Economic Help to Burma

BK2301121696 Singapore Radio Corporation of Singapore in English 1000 GMT 23 Jan 96

[FBIS Transcribed Text] Trade and Industry Minister Yeo Cheow Tong says Singapore-Myanmar [Burma] cooperation could be a showcase of regional and bilateral cooperation. He gave the assurance that Singapore will continue to help Myanmar in its economic development. Mr. Yeo was speaking at the inaugural joint ministerial working committee meeting in Yangon [Rangoon].

(Cheng Mingkarr) reports:

[Begin (Cheng) recording] Mr. Yeo said bilateral economic relations have grown rapidly, with trade reaching over $1 billion last year, and Singapore companies have invested a total of some $772 million in 32 projects here in Myanmar [figures given in Singapore dollars]. He added this meeting will provide the two countries with means to chart the direction of bilateral economic cooperation. He also urged both countries to consult on policy issues to complete their cooperation projects. Mr. Yeo added the meeting must [words indistinct] relations and was confident Singapore-Myanmar economic relations will grow from strength to strength. Though some awkward issues may arise, Mr. Yeo said given the good will and commitment between them, both countries should be able to overcome these obstacles.

Also attending this meeting were Communications Minister Mah Bow Tan and National Development Minister Lim Hng Kiang.

Before the meeting, the three ministers paid a courtesy call on Myanmar's trade and industry ministers and also the first secretary of the country's State Law and Order Restoration Council, Lieutenant General Khin Nyunt. During the 20-minute courtesy call, both sides discussed relations in general and other related issues.

(Cheng Mingkarr), RCS News, Yangon. [end recording]

Burma: Three Singapore Investment Projects Launched

BK2501141096 Singapore THE STRAITS TIMES in English 25 Jan 96 p 3

[Report by Bangkok correspondent Lee Siew Hua]

[FBIS Transcribed Text] Yangon [Rangoon] — Three Singapore investments, the early fruit of bilateral economic cooperation pact signed last June took off yesterday.

They are Straits Steamship Land, which is developing five-star hotels, NTUC FairPrice, which runs a trade office and supermarket chain, and C&P Holdings, which has a-build-operate-transfer contract for a container port.

Singapore Trade and Industry Minister Yeo Cheow Tong, in a speech at the topping off ceremony of the Sedona Hotel Yangon, which will open mid-year, said:

"That Singapore and foreign hoteliers are investing in Myanmar [Burma] underlines their confidence in the country's ability to attract a steadily increasing number of visitors."

Singapore is the top investor in the country's tourism in industry with about 10 hotel projects. A private-sector consortium, Singapore-Myanmar International Leisure Enterprise, is also supporting Visit Myanmar Year 1996, which will be launched in October.

Mr. Yeo, who is visiting Yangon together with Communications Minister Mah Bow Tan and National Development Minister Lim Hng Kiang to boost economic ties, noted that hotels had a strong multiplier effect on the Myanmar economy. "Besides creating direct employment, they also generate business opportunities for supporting industries like transportation, hotel maintenance services, food and beverages."

This point was also addressed by Lieutenant-General Kyaw Ba, Myanmar's Minister for Hotels and Tourism, who debunked criticism that tourist dollars only benefited a tiny elite.

Besides the US$105 million (S$ [Singapore dollars] 147.9 million) Sedona Hotel Yangon, Straits Steamship Land (SSL) also has a luxury Mandalay hotel slated for opening in end-1996.

The listed property group, whose forte is office developments, was also negotiating terms for a downtown Yangon office block, SSL deputy chairman Lim Chee Onn told reporters.

Meanwhile, the Communications Minister, Mr. Mah, officiated at the foundation-stone-laying ceremony of the Thilawa Port.

This US$120 million container sea port on the outskirts of Yangon is being developed by C&P Holdings — a container depot and warehouse operator — and its Chinese partners.

A C&P press statement noted that Myanmar's first container port was potentially very profitable, with the opening up of the Myanmar economy and China's need to find a port serving its southwestern provinces.

When completed, it will have facilities like a 1,000-metre quay and four container handling berths.

Possible future spin-offs are an industrial park with businesses like flour millers which need access to port facilities.

In the evening, the Singapore ministers attended the official opening of the NTUC FairPrice Supermarket, a 50:50 joint venture with Myanmar Economic Holdings.

The supermarket, whose customers are expatriates and the Myanmar elite, stocks upmarket blue cheese and Singapore-made products like Gardenia Bread.

The three ministers, who arrived in Yangon on Monday, made separate courtesy calls yesterday on Myanmar ministers, including Brigadier-General David Abel, Minister for National Planning and Economic Development.

Singapore's National Development Minister, Mr. Lim, also made study tours of an orchid farm and fruit-and-vegetable research center.

Mr. Yeo returns to Singapore today. Mr. Mah and Mr. Lim will have a private programme and also call on Myanmar Prime Minister Than Shwe on Friday. The two will return to Singapore on Saturday.

Burma: Panel of Chairmen Concludes Reports at Plenary Session

BK2001102096 Rangoon Radio Myanmar in Burmese 1330 GMT 19 Jan 96

[FBIS Translated Excerpt] The plenary session of the National Convention continued at 0900 today at the Central Conference Hall in the President's Residence Compound on Ahlone Road in Yangon [Rangoon]. [passage omitted]

Dr. Thaung Myint, member of the Panel of Chairmen, read the panel's comments on the appointments of justices and judges apart from the union, regional or state high courts, as well as their standards, responsibilities, rights, and benefits. Appointments of civil servant staff at the courts, their responsibilities, rights, and benefits under the section on structure of the judiciary, are included. He read pages 520 to 540, while Member U Maung Gyi reported on pages 541 to 560.

The Panel of Chairmen's collective excerpts of proposals on the basic principles to be included in drawing up the constitution on the legislative, executive, and judiciary chapters by various delegate groups and some delegates have already been reported.

The National Convention Convening Work Committee [NCCWC] needs to have the opinion of the delegate groups through the Panel of Chairmen on some proposal reports of various delegate groups and some delegates, and the Panel of Chairmen's comments that are in accord with the six national convention objectives and the already prescribed basic principles [104 basic principles].

Therefore, the NCCWC will hold a coordination meeting with the Panel of Chairmen at 1300 on 26 January at the Saya San Hall in the Kyaikkasan Grounds.

Burma: Local SLORC Files Suits Against NLD

BK2501133696 (Internet) BurmaNet News in English 23 Jan 96

[Report by Kyaw Tint; dated 24 January]

[FBIS Transcribed Text] Burma's military junta is intensifying attacks to the National League for Democracy [NLD], the opposition party supported by the majority of Burmese people. Since the release of Daw Aung San Suu Kyi last year, SLORC [State Law and Order Restoration Council] resumed the harassment to the opposition party by utilizing all available media and methods. Very recently, local SLORC organ for the area where the NLD headquarters situates, Bahan Township Mawata [Township Law and Order Restoration Council], has filed suits against the NLD reflecting further steps in SLORC oppression. Major accusation against the NLD is its use of a microphone system for public speeches in front of Daw Aung San Suu Kyi's resident every weekends.

Burma: SLORC Amends City Development Law

BK2501155496 Rangoon TV Myanmar Network in Burmese 1330 GMT 25 Jan 96

[Law No. 1/96 issued by the State Law and Order Restoration Council in Rangoon on 25 January]

[FBIS Translated Text] The State Law and Order Restoration Council [SLORC] has promulgated the following law:

Section 1. This law is called the law to amend the Yangon [Rangoon] City Development Law.

Section 2. The term vice chairman of the committee is added after the term chairman of the committee, as stipulated in Section 4 of the Yangon City Development Law.

Section 3. Section 5 of the Yangon City Development Law is replaced with the following: Section 5. The chairman of the committee is the mayor of Yangon and the vice chairman of the committee is the deputy mayor of Yangon.

Signed: SLORC Chairman Senior General Than Shwe

Burma: Maung Par Appointed Deputy Mayor of Rangoon

BK2601023196 Rangoon TV Myanmar Network in Burmese 1330 GMT 25 Jan 96

[Notification No. 10/96 issued by the State Law and Order Restoration Council in Rangoon on 25 January]

[FBIS Translated Text] Appointment of Deputy Minister

The State Law and Order Restoration Council [SLORC] has appointed Colonel Maung Par as a deputy minister and given him the responsibilities of vice chairman of the Yangon [Rangoon] City Development Committee and deputy mayor of Yangon in accordance with Section 4 of the Yangon City Development Law.

By the authority vested in me,

Signed: SLORC Secretary-1 Lieutenant General Khin Nyunt

BURMA: Politicians Threatened Over Dialogue Letter

BK2201153696 (Internet) BurmaNet News in English 20 Jan 96

[Translated from a document acquired from inside Burma by the Research Department, ABSDF-MTZ — All Burma Students' Democratic Front, Moe Thee Zun Faction]

[FBIS Transcribed Text] Subject: The SLORC [State Law and Order Restoration Council] Threatens 23 Prominent Politicians for Writing a Letter Urging Dialogue with Daw Aung San Suu Kyi.

Discussions from the meeting between 23 prominent politicians who signed the proposed paper for the national reconciliation and the representatives of the SLORC.

On 26/11/95, the representatives of the SLORC — Lieutenant Colonel Tin Hlaing, deputy minister for the Home Affairs; Colonel Kyaw Win, deputy director for Burmese Military Intelligence Service; U Soe Win, director for People's Police Force; Col. Ba Hein, in- charge of Criminal Investigation Department — summoned and met with 23 prominent politicians and freedom fighters [Bohmu Aung, Thakhin Chit, Thakhin Thein Pe, Bo Aung Naing, Bo Thar Tun, Bo Tin Hla Oo, U Aung Myint, U Nyunt Thein, Nai Ngwe Thein, U Min Lwin, U Tin Tun, Thakhin Chit Maung, Thakhin Khin Aung, Thakhin Lwin, U Than Sein, Bo San Thar Kyaw, Bo Sein Aung Lin, U Ba Tin, Dr. Maung Maung Kyaw, U Ye Myint, U Thar Ban, U Myint Aye, and Bo Nyo] who signed a paper on 24/11/95 calling for SLORC to open dialogue with the NLD [National League for Democracy] led by Aung San Suu Kyi at the earliest possible opportunity.

Lt. Col. Tin Hlaing, deputy minister for home affairs, said, "We are telling you what the SLORC leaders have ordered us to tell you. We received your letter. We the State Law and Order Restoration Council or the military government are going to tell you the matters that are related to you.

You attended the ceremony held to pay homage to the elders on October 8. You also attended the National Day celebrations held on 16/11/95.

At this moment we are convening the national convention. At the same time, discussions are being held for the unity of all nationalities. You'll have to consider whether what we are doing is meaningful or not.

Your demands are identical with those of the U.S., the Mr. Nosey. People from the U.S. embassy visit Daw Aung San Suu Kyi's house on daily basis. Mrs. Albright also treated us harshly. It looks like we'll have to work in accordance with the will of the Americans. We do not want ourselves to become a stooge of the Americans. We cannot do everything as they wish us to do.

We are working for the emergence of a constitution with a set of guidelines. You can see what we are doing for the national cause. Now 15 out of 16 armed groups have returned to the legal fold. We are also striving for the remaining group so that they can do the same. We hope and believe that in a very short time they will return to the legal fold. We are working hard to achieve this goal.

We are carrying out the three main national causes and 12 objectives. We wish to know if there is anything [among these] that you cannot accept.

We cannot tolerate stooges meddling in between. The strength of the nation can be found only in the nation. We cannot rely on the foreign [countries]. We'll be in trouble if we rely on the foreign [countries].

The U.S. is setting out guidelines. We know that other embassies are interfering in our affairs.

We want all of you who have political traditions to remain neutral. It wouldn't be any good if there were violent political confusions. All of you are old. We would like you to live peacefully. We are ready to take care of you on social and humanitarian grounds. We believe that the NLD is using you. We want you to stay out if political movements become more violent. We want you to remain neutral.

People from the U.S., Britain and Australian Embassies visit Daw Aung San Suu Kyi every day and give her instructions. Her husband is also instigating the situation from abroad.

We do not wish you to get involved in this. We'll help you if you need anything. Do you want to say anything on the existence and duties that the Tatmadaw [Defense Services] is carrying out?"

Bohmu Aung said, "Let me tell you something. We are not stooges of anyone. We never were. We work and say in accordance with our own sincere beliefs and will. We want to see everyone united before we die. Nobody forces us to do it. We do not want any outside interference. We'll have to prevent it from happening with a united force. We'll fight along side with the Tatmadaw if there is a foreign invasion. There has been proof of this. We are just doing what should be done for the restoration of peace, and prosperity of the country because we want to see these things happen before we pass away.

We attended the ceremony held inside Daw Aung San Suu Kyi's house because the students wanted to pay homage to us, believing that there would be no problem. National Day celebrations were held as a part of our tradition. These used to be held in my premises. Now that there was no place available, we held it where a place was available.

There is no outside interference or instigation in writing you this letter. We do not accept any interference at all. We wrote to you because we want to be friendly with you before anything becomes tangled. We don't want to see the situation change for the worse. You can use the letter if you wish. We'll wait and see if you say so. We'll take oath that we wrote the letter with utmost sincerity. We consulted [among us] and wrote it because we [you and us] should not hold grudges against each other. We just made this request of you because we believe that we still have a duty to the country. We don't like bloodshed. We are ready to lay down our lives along with the Tatmadaw [Defense services] should danger befall the country."

Lt. Col. Tin Hlaing said, "What you are doing is identical with what the U.S. has said. We are working for the country as well. Is there anything wrong with our work? It appears that there is foreign interference. It also appears that the NLD has dragged you along."

Bohmu Aung said, "We want to see our people happy and peaceful with plenty of food and materials before we die."

Lt. Col. Tin Hlaing, "Is there anything that you don't like among the tasks the Tatmadaw is carrying out? The Tatmadaw really wants peace. We are performing the tasks which no other government have ever been able to do. Why did you have to write this letter?"

Bohmu Aung, "It comes from our heart. There is nothing that we can do if this is similar to other people's opinions."

Lt. Col. Tin Hlaing, "If we don't do anything, people will blame us, and when we are doing something, we are concerned that someone will meddle with our work. We summoned you to explain this so that you can see and understand what we are doing. We are telling you this so that you can stay out of trouble when the situation becomes chaotic."

M.I. [Military Intelligence] Col. Kyaw Win said, "The Senior General and group read the letter the day it was received. Like we said earlier, it doesn't do any good for the country when you are used for this. And we believed so, that is why we are trying to explain this to you. We believe that what is contained in the letter is nothing but your opinions. We'll report to our leaders that you did it with sincere goodwill. We learned the spirit of imperialism from the books. Mrs. Albright treated us very rudely. We cannot tolerate this. What she said is related to your request letter. We'll report back that you wrote the letter without any foreign influence and with a sincere desire to have everyone united. Our leaders have ordered us to treat you with respect. We can talk again if there is a confusion."

Bohmu Aung said, "If there is dead meat, the flies will swarm around it. We wrote the letter because we don't want this to happen. We neither want a dead meat nor flies. The opinions are of the same identical nature, but I assure that we have nothing to do with it. We have nothing but goodwill. I can take oath for that."

Lt. Col. Tin Hlaing said, "We want you to know our stance."

Bohmu Aung said, "I fought against the imperialists and their oppression. We had to remain under the British until we lost the hair knot that was our tradition [meaning for a long time]. Only because we weren't killed in the struggle, we can talk to you now. I used to live near Mandalay, but because my grandma told me not to go near that Kular Town, I did not even know what it looked like. [Kular is a derogatory word for Indians and British. Kular town here means Mandalay palace]. I sacrificed everything and I will not hesitate to sacrifice again."

Burma Reports 10,078 MTA Troops Surrender, More Expected

BK2001094796 Rangoon Radio Myanmar in Burmese 1330 GMT 19 Jan 96

[FBIS Translated Text] Members of the Mong Tai Army, MTA, headed by Khun Sa, have realized the government's goodwill, true leadership, and righteous endeavors. They are thereby abandoning their policy of armed struggle and illicit narcotic drugs trade and production, which has been threatening and ruining human lives, and are returning to the legal fold surrendering their arms to the Defense Services.

On 16 January 1996, 127 MTA members surrendered with 96 assorted weapons in Loi Htun region of Mong Hsat Township.

On 18 January, 188 MTA members surrendered with 191 assorted weapons in Loi Htun region, and 14 MTA members surrendered with 14 assorted weapons in Loi Lang region.

It has been learned that a total of 10,078 members of Khun Sa's MTA have already returned to the legal fold surrendering 6,305 assorted weapons, grenades, mines, and assorted ammunition to the Defense Services in the Eastern Salween River region of Eastern Shan State from 5 to 19 January.

It has also been learned that more MTA members will surrender to the Defense Services and return to the legal fold.

Burma: More MTA Troops Surrender With SAM-7 Missiles

BK2101145896 Rangoon Radio Myanmar in Burmese 1330 GMT 21 Jan 96

[FBIS Translated Text] Members of the Mong Tai Army [MTA] headed by Khun Sa have totally abandoned the trafficking, production, and cultivation of narcotic drugs and are continually returning to the legal fold surrendering their arms to the Defense Services.

On 15 January 1996, the first batch of 250 MTA members led by Battalion Commander Kyaukyet Sai Mun of the 271st Battalion surrendered with 123 assorted weapons, including 2 SAM-7 missiles to Defense Services authorities in Mong Htaw and Mong Hta regions of Mong Tong Township in the Eastern Salween River region.

It has been learned that a total of 10,328 members of Khun Sa's MTA have already returned to the legal fold surrendering 6,428 assorted weapons, including 15 SAM-7 missiles, grenades, mines, and assorted ammunition to the Defense Services from 5 to 21 January.

It has also been learned that MTA members are surrendering to the Defense Services in various parts of the Shan State.

More MTA Members Surrender to Defense Services

BK2501160296 Rangoon TV Myanmar Network in Burmese 1330 GMT 25 Jan 96

[FBIS Translated Text] Members of the MTA [Mong Tai Army] led by Khun Sa are continually returning to the legal fold in eastern, northern, and southern Shan State after completely giving up the drug trade. They are surrendering their weapons and ammunition to the Defense Services columns after realizing that the State Law and Order Restoration Council government has been striving for the stability of the state, community peace and tranquility, the prevalence of law and order, and national consolidation since it assumed state responsibility. They have witnessed the implementation of development programs in the border areas inhabited by 15 armed groups in the jungle who returned to the legal fold after giving up their policy of armed struggle. They have also realized the state government's goodwill toward the public, including the armed groups in the jungle.

A total of 209 MTA members led by Sai Naw Kham returned to the legal fold along with 36 assorted weapons at Lwe Tun Camp in Mong Hsat Township, eastern Shan State on 23 January 1996.

Since 12 January, a total of 1,719 MTA members from Lwe Tun Camp in Mong Hsat Township have surrendered with 1,129 assorted weapons to the Defense Services.

A total of 11,470 MTA members have returned to the legal fold, surrendering 6,941 assorted heavy and small weapons to the Defense Services, in the Ho Mong, Loi Lam, Loi Tun, Mong Htaw, Mong Hta, Wansin, and Naung Laing regions in eastern, northern, and southern Shan State since 5 January.

Burmese Shan Exiles in Thailand Form Memorial Society

BK2501133396 (Internet) BurmaNet News in English 24 Jan 96

[SHAN HERALD AGENCY NEWS report dated 5 December 1995]

[FBIS Transcribed Text] Shan exiles in Thailand have set up a new NGO [nongovernmental organization] called the Kornzurng Memorial Society on December 3, 1995, according to S.H.A.N [SHAN HERALD AGENCY NEWS] sources.

Kornzurng is the name of the Shan Resistance leader (1926-1991) who, against all odds, managed to unite the three biggest Shan armed groups, namely the Shan State Army, the Shanland United Army and the Shan United Revolutionary Army in 1985 for the freedom of Shan State. The combined army later came to be known as the Mong Tai Army. However, before his lofty aims of freedom, peace and prosperity for the people could be achieved, Kornzurng died of cancer. He was respected by both friend and foe alike, and even Khun Sa, his successor, mourns that had he been alive today, the D-Day mutiny (of June 1995) would not have happened.

The Executive Committee of the Kornzurng Memorial Society is made up of 11 former close followers and relatives of Kornzurng: Zaray Htee (a former monk and Kornzurng's religious mentor), Khuensai (his former secretary), Sai Leng (his nephew), Lengmuang, Yordserk, Sengzern, Zarng (his son), Zawm Wan, Pi and Orga.

Their aims are to put up a memorial for the late leader, build a historical and cultural museum and assist the local people, who are classified variously by the Thai government as displaced persons, highlanders and "runaway" immigrants, and who number 25,270 according to the Mu (1) village headman in Piangluang, Wiangheng district in Chiang Mai province.

The Kornzurng Memorial Society can be contacted at the following address: 759 Mu 1, Piangluang, Wiangheng, Chiang Mai 50350, Thailand.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Daily Views Importance of Ties With Australia

BK2301004296 Kuala Lumpur NEW STRAITS TIMES in English 18 Jan 96 p 16

[Editorial: "Preserving the Goodwill"]

[FBIS Transcribed Text] Know thy neighbours and understand them well should be a good platform from which Australia, neither owned by Europe nor claimed by Asia, can possibly hope to find a foothold in regional affairs. It may perhaps be ludicrous that despite the millenniums of relations between Australia and this part of the world, an appreciation for the fact that Australia is Australia and Malaysia is Malaysia, being separate nations in separate continents, with separate lineages and cultural genealogy is a process of discovery, of lessons not just learnt, but constantly revised to refresh the memory.

An acknowledgement of the mutual right to differ and of homegrown sensitivities must form an important component of Australian Prime Minister Paul Keating's visit to Malaysia. The periodic outbursts of pimples to mar the smooth complexion of relations between the two countries must be traced to the Malaysian allergy to disinformation and misinformation as is often perpetuated by various quarters in Australia with misshapen views of people and countries outside of their ethnocentrism. And while Australians may view their bluntness as frankness, others view it as insulting; while they may view their democracy as truly free, others may see it as being two-faced. The gist is that if each nation wants to impose its standards and expectations on others, every venture, even the peccadillos, is a potential landmine.

Australia and Malaysia go back a very long way, covering the major spheres of government, the judiciary, education, defence and trade. As a popular destination for tertiary-level education, more than 100,000 Malaysian students have passed through their education system, which means that Malaysians are well acquainted with Australia. Australian troops were active in Malaya during the Japanese Occupation and still is a member of the Five Power Defence Arrangement. Australia was closely associated with the establishment of the Federation of Malaya in 1957 and sponsored Malaya's application for membership of the United Nations. One of the five Commonwealth jurists who helped draft the Malaysian Constitution was an Australian.

It is fortunate that when relations were marred by judgmental shoot-from-the-hips media, pressure groups and diplomatic lapses, linkages in the area of cultural, immigration, education, development assistance, training, exchange and tourism programmes continued, which have contributed to the stabilisation of relations at the official level, and which will continue to provide the foundation for bilateral relations between the two countries. Today, the links extend to cooperation in banking, telecommunications, and construction, and relations are, in the words of Prime Minister Datuk Sri Dr Mahathir Mohamad, "as harmonious as can be."

Reciprocity must play an important role in reconciling differing perspectives and differing heritage. Decorum and mutual respect among all quarters must prevail. To begin with, Australia can acquaint itself with Asian sensitivities in its own backyard, since half of its immigrant intake is from Asia and where domestic issues involving race relations and equitable sharing of the economic pie is also increasingly needing attention.

There is much mutual gain which can be gleaned through keeping the hum of bilateral relations going. The investment and trade spinoffs as well as the preservation of historical ties show what good dividends goodwill yields. THIS

Malaysia: Information Cooperation Enhanced With Jakarta

BK2201071196 Kuala Lumpur NEW STRAITS TIMES in English 19 Jan 96 p 2

[Report by Tengku Sariffuddin]

[FBIS Transcribed Text] KUALA LUMPUR, Thurs. [18 January] — Malaysia and Indonesia have agreed to step up cooperation in the field of information, especially in satellite communication for their common benefit.

The two countries, will, among others, promote greater exchanges of broadcast materials between their television and radio stations, and encourage production houses to produce more films to meet increasing demand.

They agreed in principle to establish a television market station where owners can buy films and television productions, enhance co- operation in the utilisation of their satellites, Malaysia East Asia satellite (Measat 1) and Palapa.

Speaking to reporters after a meeting with his Indonesian counterpart, Harmoko, at Angkasapuri, Information Minister Datuk Mohamed Rahmat said a joint-committee had been set-up to study the matter.

He said there was a need for both countries to work together to ensure the information technology and the new broadcast technology would benefit them and bring about positive development to their societies.

"We must check against the influx of negative values and, as the technology develops, we should co-operate to gain from it," he said.

Mohamed said as Malaysia and Indonesia had a policy requiring the television stations to air more local programmes, the introduction of cable and satellite televisions would further increase the demand for local productions.

The film industry and production houses needed to rise to this challenge, not only to increase the quantity but quality of broadcast materials, he added.

He said although the Government would allow the use of parabolic dish by this year now that Measat 1 had been launched, it would not allow the complete opening of the Malaysian sky.

"We do not want to rush into opening our sky totally since there are negative effects, especially our concern over pornography materials. This concern have also been expressed by some European countries."

Harmoko said the development of the information technology and broadcast technology provide greater opnortunities which the local industry should seize upon.

The increase in demand for local film and television programmes should further boost the development of the industry whilst checking against the negative foreign productions.

"It will also provide greater job opportunities for people in the two countries."

Malaysia: Arms Seized From Vietnamese Refugees Camp

BK2101093596 Kuala Lumpur SUNDAY STAR in English 21 Jan 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Police yesterday seized 240 weapons hidden in the ceilings, walls and roofs of the transit camp for Vietnamese boat people.

Police Field Force (PFF) Central Brigade commander Senior Assistant Commissioner (II) Haniff Ahmad said the arms included home-made crossbows, a sword, parangs [cleaver], knives and a dozen pairs of scissors.

He said police also found other weapons buried in the ground following a tip-off from a source in the camp.

"The operation to seize dangerous weapons will go on for another two or three days," he told newsmen who were taken on a tour of the camp.

On Thursday, police stormed the camp to restore order after rioting inmates set fire to one of the blocks.

Seven policemen and 17 boat people were injured. One of the Vietnamese died at the Kuala Lumpur Hospital on Friday.

Haniff said 84 of the inmates who were believed to be dangerous and capable of inciting riots were now kept apart from the others.

Malaysia: Mahathir on SRV Refugees Repatriation Plan

BK2101161096 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 21 Jan 96

[FBIS Translated Excerpt] Malaysia will not change its decision to repatriate the Vietnamese illegal immigrants now placed at the transit camp in Sungai Besi.

Prime Minister Datuk Sri Dr. Mahathir Mohamed has said with the third countries refusing to take the refugrees in, they must be sent back to their homeland. The problem of the Vietnamese boat people has been prolonged for over 16 years.

Dr. Mahathir was commenting on the rioting at the transit camp in Sungai Besi. In the incident, 24 persons were injured, including seven policemen. The camp houses more than 4,000 Vietnamese illegal immigrants.

[Begin Mahathir recording in English] Well, we will have to send them back. If they are going to cause a problem, we will have to send them. I mean we cannot tolerate people who come to this country and then create trouble...try to make bombs, and things like that. We have sympathy for them but...there is a limit to being sympathetic. These are not political refugees, they are just economic refugees.

The third countries have promised to take them off our hands but now they have refused. Now, if they have a right to refuse, we also have a right to refuse. [end recording]

Dr. Mahathir, who is accompanied by his wife Datin Sri Dr. Siti Hasmah Mohamed Ali, is on a two-day working visit to Langkawi Island. On the occasion, he visited two tourist attraction projects near the Kuah jetty. [passage omitted]

Malaysia: Vietnamese Boat People Repatriated

BK2501085596 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 25 Jan 96

[FBIS Transcribed Text] Twenty six Vietnamese boat people, including four children, were repatriated this morning. They are among those involved in the riots which took place at the Sungai Besi transit camp on 18 January. This is the first group of boat people repatriated this year under the orderly departure program. The group travelled on flight MH-750 under the supervision of five police personnel, immigration officers, three Red Crescent members, and a representative of the UN High Commission for Refugees.

Malaysia: Remaining SRV Refugees Urged To Return Home

BK2301010796 Kuala Lumpur Voice of Malaysia in English 0800 GMT 22 Jan 96

[Station Commentary]

[FBIS Transcribed Text] Somewhere over the rainbow the skies are blue. Undoubtedly, Malaysia has been so regarded by the group of Vietnamese boat people who ran riot in the Sungai Besi transit camp on Thursday. The pandemonium in which the unruly crowd clashed with police, had left 24 people injured, including seven policemen. Two blocks of living quarters in the camp were destroyed by an act of arson. An injured Vietnamese man died two days after being admitted to the Kuala Lumpur Hospital.

This is the second anti-repatriation rioting in the camp in seven months. In June last year, a similar incident erupted prompting the government to contemplate more appropriate manner to repatriate the inmates.

Plans were finally worked out following a meeting in Bangkok of the comprehensive plan of action steering committee. The meeting agreed to repatriate all those inmates who are not regarded as refugees by any means, by air, sea or land. This proposal has received the blessings from the Vietnamese Government. Over the years, the inmates of the camp have been resisting repatriation to their homeland. Anxiety began to build up when the proposed repatriation becomes impending. They made petitions against being sent back to Vietnam but of no avail.

Meanwhile, the United Nations High Commissioner for Refugees has officially informed the Malaysian Government that its funding for the boat people will cease by the end of June this year. The message is clear. After June the 30th, if there are still any them remaining in the camp, it is the responsibility of Malaysia to take care of them. Another factor that contributed to the mass frustration is that only 92 out 4,421 boat people in the camp had been identified as genuine refugees who are to be granted political asylum in the third countries such as the United States.

The dismay and frustration of the remaining 4,329 inmates is understandable. This explains why some hardliners are hell bent on resorting to violence to resist repatriation. Twice they had been found in possession of weapons and this time police even discovered evidence of home-made bombs in addition to the large assortment of offensive weapons like long knives, cross-bows, spears, and molotov cocktails.

One would wonder if the hardliner section can really serve any purpose. How long can they hold out their resistance? By all accounts their repatriation is definitely to take place sooner or later. The hardliners should therefore come to grip with reality instead of contemplating aggressive response for the third asylum countries have refused to accept them and Malaysia has determined to close all the transit camps in the country. The illegal immigrants will be left with no alternative but to leave for home.

Over the decade, Vietnam is striving to boost is economy in every possible way and promises its people a better tomorrow. It has now become a member of the Association of Southeast Asian Nations, ASEAN, diligently seeking regional and global cooperation in its efforts of nation building. Things are different now in the country compared to the two decades ago when the exodus of the boat people took place.

Given this optimistic scenario, Vietnam is poised to become a proverbial green paster for grazing. Hence, the returnees must convince themselves that blue skies may not necessarily be found over the rainbow.

Malaysia: Performance of Manufacturing Sector Reported

BK2501132296 Kuala Lumpur NEW STRAITS TIMES in English 23 Jan 96 p 26

[Report by Azman Ibrahim]

[FBIS Transcribed Text] Entrepreneurs submitted 1,075 applications for manufacturing projects with a proposed total investment of RM [Malaysian ringgit] 26.07 billion last year, compared with 1,018 applications with RM24.36 billion in proposed investment in 1994.

During the same period 894 projects with capital investments of RM20.86 billion were approved, compared with 870 projects with capital investments of RM22.95 billion in the previous year.

Of the proposed total capital investment, RM13.14 billion came from domestic sources, which rose from RM12.51 billion in the previous year.

Proposed investment from foreign sources rose to RM12.93 billion from RM11.86 billion in 1994.

Singapore, US, Japan and the UK continued to be the leading investor countries, with Singapore taking the lead with a proposed capital investment of RM3.79 billion.

The project applications received last year were expected to generate 134,725 jobs compared with 159,141 in the previous year, International Trade and Industry Minister Datuk Sri Rafidah Aziz said yesterday.

Projects approved, on the other hand, were expected to provide 117,482 new jobs compared with 136,487 in 1994.

The decrease in the number of jobs reflects the growing capital-intensity of proposed manufacturing projects, in line with government efforts in promoting such projects.

Rafidah said by sector the electrical and electronics products industry received the most project applications with 303 proposals, followed by fabricated metal products (79 applications), chemicals and chemicals products (78 applications), non-metallic mineral products (74 applications) and transport equipment (64 applications).

"The six sectors constituted 675 or 62.8 per cent of total applications received in 1995.

"A large number of applications was also received in food manufacturing, with 58 proposals, plastic products (57 proposals) and the machinery manufacturing industry (54 proposals)," she said when presenting a report on last year's performance of the manufacturing sector at the Malaysian Industrial Development Authority headquarters in Kuala Lumpur.

The electrical and electronics products industry with RM6.83 billion in proposed capital, ranked first in capital investment which constituted 26.2 per cent of the total proposed capital.

Other industries with large proposed capital investments were non-metallic mineral products (RM4.29 billion) basic metal products (RM288 billion), chemicals and chemical products (RM2.86 billion) and petroleum refineries/products (RM2.44 billion).

The five industries accounted for RM19.32 billion or 74.1 per cent of the total proposed capital investments.

Last year also saw 48 applications for projects with proposed capital of RM100 million or above each, making up RM4.95 billion of the total proposed capital investments.

In terms of ownership, Rafidah said 328 applications or 30.5 per cent of all applications received were for projects to be wholly-owned by Malaysians, 408 or 38 per cent would be Malaysian foreign joint ventures and 339 or 31.5 per cent as fully foreign-owned.

Of the 408 joint ventures, 223 were those with a majority local equity, 166 projects with majority foreign equity and 19 with equal local-foreign equity.

Rafidah said Selangor and Johor continued to be preferred locations for proposed projects, followed by Negri Sembilan, Kedah, Penang and Terengganu.

Of the 894 projects approved last year, 194 were the electrical and electronics products industry, 87 in non-metallic mineral products, 81 in chemicals and chemical products, 78 in wood and wood-based products, 75 in plastic products and 59 in transport equipment.

Singapore

Singapore: Nation Said Russia's Third Foreign Investor

BK2401074196 Singapore BUSINESS TIMES in English 24 Jan 96

[Report by Chuang Peck Ming — received via Internet]

[FBIS Transcribed Text] Singapore has become the third biggest foreign investor in Russia, according to the United Nations Economic Commission for Europe (UNECE).

The Republic's cumulative direct investments in the country currently stands at about US$250 million [Singapore dollar] (S$356 million), or 7 per cent of the total investment in the country, the UNECE said in the current issue of its East-West Investment News.

China, with cumulative investments of US$200 million (6 per cent of total foreign investments), was ranked fourth on the list of foreign investors in Russia. Topping the list was Switzerland, which sunk almost US$1.1 billion into the country to account for 29 per cent of total foreign investments.

The United States was second with an investment of over US$700 million (21 per cent).

Russia's total foreign investments jumped by a quarter in 1994 to just over US$3 billion and rose further to US$3.3 billion in 1995, according to the UNECE. About 60 per cent of the investments went to mining and manufacturing industries, notably in energy and engineering.

Singapore's investments are mainly in the electronics manufacturing, trading and machinery and transport sectors. Among the major Singapore investors are government-linked trading company Intraco, Agiorus, which is reputed to be the "most powerful" Singapore trader in Russia, and the diversified property-based Thakral group.

Singapore Daily Views Possible Nuclear Threats in ASEAN

BK2301093196 Singapore BUSINESS TIMES in English 23 Jan 96

[Editorial: "A Testing Time for Asians" — received via Internet]

[FBIS Transcribed Text] Having taken a major step towards ensuring that Southeast Asia is recognised as a Zone of Peace, Freedom and Neutrality (ZOPFAN), Singapore and the other ASEAN countries cannot but feel concerned about the possibility of nuclear developments in the neighbourhood.

This is irrespective of the perception of threats from which individual countries might suffer. Just as China's continuing nuclear explosions are a challenge to the ZOPFAN concept, so are the French tests in the Pacific, and, now, reports, albeit rebutted, of renewed nuclear activity in South Asia.

To say so without qualification might, however, appear to endorse the curious game in which the United States seems to be engaged. It was hardly reassuring, for instance, that neither the United States, nor any of the other four powers whose nuclear monopoly was confirmed by the Nuclear Non-Proliferation Treaty (NPT), supported the December 12 United Nations resolution calling for an immediate end to nuclear tests and deploring those that are still being conducted. The United States and Russia abstained, while China, France and Britain voted against, prompting questions about the Big Five's real views on the proposed Comprehensive Test Ban Treaty (CTBT).

It is in the light of this ambivalence that the world will read reports in American newspapers suggesting not only that India might be preparing for a second nuclear test — the first and only one so far was in 1974 — but that Washington has warned New Delhi of severe sanctions if this does, in fact, happen.

What is especially worrying in this context is that India, which has not forsworn the nuclear weapons option, produces significant quantities of its own nuclear material and equipment, and does not accept international control over them.

Clearly, a nuclear race next door cannot but make ASEAN uneasy. But three implications of the controversy have to be noted. First, the reports regarding India are obviously based on official U.S. leaks. Second, alarmist interpretations overlook an India-Pakistan agreement not to attack each other's nuclear facilities, which should logically lead to other, and more substantive, confidence- building measures. Finally, of course, India's categorical denial both of any plans to carry out a second test, and of reports of an ultimatum by Washington, deserve to be heard with respect.

This is not the first time that the Americans have raised a scare about the resumption of nuclear tests in India. Such reports have turned out to be false alarms in the past; the world will sleep more easily if this is repeated in the present instance also.

The need for discipline is all the greater at a time when Israel is trying to use its nuclear option as a bargaining counter in the Middle East peace process, and the Russians are reportedly dragging their feet on implementing the nuclear security and weapons inspection clauses of the joint statement that President Bill Clinton and President Boris Yeltsin issued in May. The Americans are inclined to see this in the context of Russia's faltering reform programme. The more ominous aspect for the rest of the world is that the possibility of a nuclear holocaust still has not been given a formal burial. Perhaps it never will be if the Big Five continue with their duplicitous diplomacy. If the United States wants to play global nuclear cop, it should provide an unambiguous lead in finalising the CTBT, dismantling nuclear stockpiles as the NPT stipulates, imposing a global ban on ballistic missile flight testing, and extending a no-first-use agreement to all known and threshold nuclear states. The latter would have no excuse then not to acknowledge that it is in their own long-term interest not to cling to an option that is as self-defeating as it is dangerous.

Singapore: Goh Urges Regional Position Through Strong Economy

BK2301110996 Singapore THE STRAITS TIMES in English 22 Jan 96 p 1

[FBIS Transcribed Excerpt] Singapore needed to attract $7 billion worth of manufacturing investments a year to create better-paying jobs, increase incomes and stay ahead of the competition, Prime Minister Goh Chok Tong said yesterday.

These investments would not flow in if the region was unstable, he said. _

That was why the Government always took the long view and played its part to ensure regional and international stability, so all countries could prosper. He was speaking at a commissioning ceremony for 370 officer cadets from the army, navy and air force at the Safti Military Institute in Tuas yesterday evening.

Mr. Goh said that while Singaporeans could be justifiably proud of the nation's economic success, a sudden collapse of that prosperity could never be ruled out.

He said: "If the region is unstable, or worse, countries in the region are at loggerheads, investments will shun the whole region, including Singapore."

Citing the war-torn countries of the former Yugoslavia, Kuwait and Cambodia, he said many had perished in conflicts in these countries, and not every country would be given a second chance to live.

"That is why the Government always takes the long view, studies long-term trends and works out possible scenarios to guide our thinking," he said.

This approach was seen in Singapore's efforts to consolidate Asean, promote prosperity in Asia and strengthen ties with the U.S. and Europe.

It also explained why the nation contributes to regional and international efforts which enhance the security environment.

But building good relationships with other countries was only one part of Singapore's long-term survival strategy.

The other was to ensure that the nation had a strong disciplined national defence force to protect itself and contribute to regional resilience.

He said: "A strong Singapore adds strength to the region — a weak Singapore is a liability."

The Singapore Armed Forces (SAF) was a cornerstone of that strength and a key factor behind the nation's success which economists had overlooked, he said.

Mr. Goh told the officer cadets that they too should look beyond visual range and see their tasks against the broader canvas of Singapore's security and their own future.

"Military leadership means being able to instill in your men the right spirit and attitude towards tough training, to build their character, to make your men feel for each other and proudly protective of Singapore," he said.

If they did this, they would have made a huge contribution to Singapore's future.

Mr. Goh later commissioned the cadets as officers and presented ceremonial swords to seven top cadets during the two hour-long parade.

He also presented a ceremonial sword on behalf of the Brunei Government to Officer Cadet Anizam Haji Mamit from the Royal Brunei Armed Forces.

Despite being soaked in a torrential downpour that broke about halfway through the parade, the Prime Minister stood resolutely in the rain as he reviewed the contingent.

This drew appreciative cheers and applause from the parents, families and friends who turned up.

The cadets were the first batch to graduate from the new Safti Military Institute.

Of the 370 cadets, 305 were from the army, 31 from the navy and 34 from the air force. Among them were four women cadets. [passage omitted]

Cambodia

Cambodia: Accused Trafficker Defends Self in Open Letter

BK2501093396 Phnom Penh KAOH SANTEPHEAP in Cambodian 21-22 Jan 96 pp 1, 3

["Open letter" from Theng Bunma, Thai Boon Rung Company chairman, on 16 January]

[FBIS Translated Text] Following the fallacious article published in the FAR EASTERN ECONOMIC REVIEW on 23 November 1995 that groundlessly accused me, Theng Bunma, of involvement in the traffic of illicit drugs in Cambodia, some biased local newspapers have recently echoed the accusation. As a result, I deem it necessary to explain matters so as to clear myself and clean up the stain put on Cambodia as a state involved in the drugs trade.

1. I am an honest merchant. I have received the title of Neak Oknha because of my contributions to national construction through my personal donations, and I have become chairman of the Chamber of Commerce in a democratically held election. In my opinion, the published allegation on my involvement in narcotic dealings was a dirty political trick. The aim of those behind this trick was to make the superpowers, particularly the United States, put Cambodia on their list of states involved in drug dealing and thereby deprive this country of all kinds of aid. At the very least, they would have realized their aim of making Cambodia look suspect in the eyes of the donors, thus delaying any aid, such as the granting of U.S. MFN status to Cambodia.

As for myself, I am a trader who has always supported the Royal Government's policy of rehabilitating, developing, and defending Cambodia. Their aim was therefore to drive a wedge between me and the Royal Government and by conjuring up this suspicion, in view of my position as chairman of the Chamber of Commerce, they hoped to scare off foreign traders and investors, thereby delaying, disturbing, and reducing trade and investment activities in Cambodia.

The desired outcome of this campaign is to split the forces that support the government, reduce the international community's sympathy for the government, and push the government into a quagmire. Consequently, they would accuse the government of incompetence and would carry out their other dirty designs.

2. The root of this fabrication comes from the story that Sam Rangsi told Nate Thayer, who writes for THE FAR EASTERN ECONOMIC REVIEW. The local newspapers that echoed that article are newspapers whose editors are members of Sam Rangsi's illegal Khmer Nation Party. This should make the compatriots clearly understand their political designs, which I have just described.

In addition, I beg the Information Ministry to kindly examine the legitimacy and illegitimacy of a number of newspapers and their publications in light of the press law that the National Assembly has already ratified and enacted. Some newspapers are being sued and so are their editors, and yet they continue to publish unchecked. This is hard to understand.

3. I would like to stress once again that in order to have justice for myself as well as to clean away the stain from Cambodia, I have already filed a lawsuit in Hong Kong against THE FAR EASTERN ECONOMIC REVIEW and in the United States against Nate Thayer, the author of the slanderous article in THE FAR EASTERN ECONOMIC REVIEW and an American national.

Of late, there have been false reports that a certain manager in my company was afraid to provide any news or talk in detail about this lawsuit. I have the honor to inform you that I am always ready to answer questions concerning this issue, as I have already to those representing the Voice of America, UPI, AP, THE CAMBODIA TIMES, THE CAMBODIA DAILY... and several local newspapers.

4. And availing myself of this opportunity, I would also like to express concern over the continuing uproar about my nationality. I am a Cambodian born in Cambodia. Because of the developments in our country, if I have an additional Thai nationality, that would not make me any different from some other individuals and current public figures who have dual nationality, be it French, American, Australian, Canadian, New Zealand... I am prepared to choose the country of my birth whenever the legal stipulation on nationality is ratified by the National Assembly.

5. Lastly, I would like to thank all compatriots for supporting my various businesses, all traders for honoring me as chairman of the Chamber of Commerce, and the Royal Government for taking good care of me and according me cooperation in my businesses. I would like to solemnly pledge that although there have been some biased actions against my person from a number of extremist circles, I will continue to dedicate my physical and mental strength as well as my wealth to rehabilitating, developing, and defending our country.

Chairman of Thai Boon Rung Company,

[Signed] Theng Bunma

Cambodia: Troops Launch Campaign Against Khmer Rouge Stronghold

BK2601044696 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 26 Jan 96 pp 1, 2

[Report by Chh. S. R.]

[FBIS Translated Text] Curfew has been imposed on Battambang city from 2300 to 0500 since 23 January, and the Royal Government's armed forces began their campaign on Pailin on 24 January.

Ung Sami, governor of Battambang Province, explained that the curfew has been imposed to preserve stability, security, and public order in the whole city and to "timely check and smash all activities of the Khmer Rouge rebels."

A military official in charge of the battlefield on Route 10 — the road leading from Battambang to Pailin — said that on 24 January, government troops advanced to 10 km west of Phum Tuol in Treng of Ratanamondol District. The official added that in this advance there was no major clashes with Khmer Rouge rebels.

The source said that the joint forces from the 2d and 5th Military Zones supported by tanks are conducting sweep operations against the Khmer Rouge here.

Pailin, 50 km southwest of Battambang city, is the first stronghold of the Khmer Rouge and an economic hub that the government must capture.

The source reported that the government troop advance on Pailin is no different from that at Khla Ngoap. This is because the rebels have set up a barricade by felling trees, digging holes, laying traps, and planting mines and punji stakes on all fronts to prevent the advance of government tanks and troops.

Police in Battambang Province also reported that on 22 and 23 January, the Khmer Rouge ordered their forces to move from western Kdol Ta Hen commune in Bavel District to Preah Sre and Dang Kak, west of Anlung Run village in Battambang District in preparation to move to the Tonle Sap area.

Another battlefield report from Banteay Meanchey Province said government forces in the F3 area in Khla Ngoap are facing water shortages because the Khmer Rouge have poisoned the streams. According to a military report from the northwestern region, during the first three weeks of January, government troops in Battambang, Banteay Meanchey, and Pursat Provinces killed 16 Khmer Rouge rebels, wounded 22 others, destroyed 12 shelters, welcomed 42 Khmer Rouge defectors, seized 3,457 assorted mines, 289 canteens, 10 rounds of DK-82 ammunition, 500 rounds of AK ammunition, 448 rounds of 82-mm ammunition, five cases and 2,000 rounds of 12.7-mm ammunition, 519 rounds of 14.2-mm ammunition, and a quantity of war materiel.

The source added that in the clashes with the Khmer Rouge during the first three weeks of January, 28 inhabitants were wounded and nine others killed. Government troops suffered 71 wounded and 18 killed. Ten government troops and 34 weapons also went missing.

Cambodia: Minister Responds to Negative Editorial on Cambodia

BK1701025096 Phnom Penh THE CAMBODIA TIMES in English 7-13 Jan 96

[Letter to the editor from Cambodian Information Minister Ieng Muli to the THE ECONOMIST dated 12 December — received via Internet]

[FBIS Transcribed Text] Dear Sir,

The editorial entitled "Cambodia's crumbling democracy" of The Economist of 2d-6th December 1995 painted too dark a picture of Cambodia and its democracy. I feel it is not fair to say, as The Economist did, that the UN operations in Cambodia was failure. The UN and indeed the international community, helped end the war and suffering, and lay down the foundation of pluralist liberal democracy guaranteeing the respect for human rights and the rule of law in Cambodia. Institutions upholding this system of government and these values, including nongovernmental organisations, have been built one after another on top of that foundation since then.

It is not fair either to say as The Economist did, that the Royal Government of Cambodia is "autocrat and corrupt" when this statement did not take account of the country's realities and the efforts and even lay observers have noticed. Cambodia is a poor country devastated after decades of warfare. Everything is priority. It was and still is a mammoth task for our Government to rebuild our country and establish those democratic institutions. The resources needed are simply not there but we have the will to achieve all this.

Within its institution-building programme, our Government has introduced reforms in all sectors: The army, the police, the public administration, the judiciary, the educational system, the health system, etc... All are being reorganised. It is supporting NGOs [Nongovernmental Organizations] in their work to contribute to institution-building, to social and economic development and to the accumulation of democratic values. Our Government does not have to cope only with an acute shortage of resources for this work but with the problem of uniting different factions. This is very sensitive and our Government needs to be extremely tactful in addressing it.

The result of our efforts have shown already though, all warring actions have been integrated into unitary national institutions. Thus we have a constitution, a King, a national assembly, a government, a judiciary, an army, a police force, a public administration, etc... After their reintegration our army generals have been reduced from over 2,000 down to less than 100; other senior army officers from over 10,000 down to around 2,500. The surplus civil servants will be cut down by 20 per cent by 1997.

I must, however, agree with The Economist, that we do have the problem of corruption, but we are addressing it head on. We are tackling one of the root-causes of this problem: below-survival salaries in the Government sector. We are cutting down the number of government employees so as to raise these salaries. We are introducing transparency and the sense of accountability in the Government sector including the adoption of an anti-corruption law. We are welcoming well-founded public criticisms of corruption by any specific official.

Another root-cause of the problem we are tackling is that bad elements are fishing in troubled waters in our formative period when the passing from an old to a new order is leaving gaps and grey areas in our system. We are convinced that corruption will be much reduced when the new system is more firmly embedded.

We are not wavering over our commitment to democracy and freedom, and to elections. Independent media is still very strong. Newspapers can and do criticise and attack our Government. Government leaders are making efforts to serve the people and meet their aspirations so as to secure their continued support. We are making preparations for elections in 1997 and in 1998. Wether our performance is good or bad will be judged then at the polls.

Cambodia is like a person in convalescence after a prolonged illness. It is recovering. It needs to heal its wounds, and during this convalescence it needs peace, security, and stability. Without this environment its illness very much risks relapsing, which is good neither for Cambodia nor for the world.

Yours faithfully,

Ieng Muli, Minister of Information

Cambodia: Actions Taken at CPP Meeting Reported

BK2601072196 Phnom Penh SAPORDAMEAN SEREIPHEAP THMEI in Cambodian 13 Jan 96 pp 1, 4 (Tentative)

[Unattributed report]

[FBIS Translated Text] The Cambodian People's Party [CPP] ended its two-day meeting yesterday [12 January] by pledging to protect the monarchy and to continue to cooperate with its coalition partner, the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia].

In a statement at the close of the meeting, the CPP pledged to consolidate good relations with other political parties, in particular FUNCINPEC, to continue to do what has been done for peace and national reconciliation, and to improve the CPP.

The CPP also pledged to defend the monarchy and the constitution and to protect the Royal Government's stability.

The meeting, which was closed to the media, was the 20th plenary session of the CPP and was attended by 186 high-ranking party members nationwide.

At the meeting the party elected three new central committee members, including His Excellency [H.E.] Sok An, minister of the cabinet office; H.E.; Im Chhunlim, state secretary at the Interior Ministry; and H.E. Dit Munti, assembly member representing Kompong Cham Province. These new members filled the places left vacant by Prince Chakkrapong and Sin Song, who was sentenced in October 1994, accused of attempting to overthrow the government in an aborted coup in July 1994. The third seat was left vacant by Sam Sundoeun, who recently resigned from the CPP to join the Khmer Nation Party of Sam Rangsi, the opposition leader.

H.E. Khieu Kanharit, state secretary for information and CPP spokesman, said that now the central committee has 68 members while the standing committee has 20.

The statement said that the meeting heard the report on the CPP's activities in the past two years, 1993-95, and adopted plans for future actions for 1996-98.

A CPP member who requested anonymity said that "We also discussed the strategies for the upcoming 1998 election." However, he refused to elaborate on the plans that were discussed.

FUNCINPEC won against the CPP in the 1993 election supervised by the United Nations. However, this former communist party, who ruled Cambodia from 1979 to 1993, is currently seen as the most powerful political force in the country.

H.E. Khieu Kanharit said that "at the meeting we were more confident in ourselves than before and the discussion was conducted in a good atmosphere."

Cambodia: Commentary Castigates Hun Sen's Boastful Remarks

BK2601071896 Phnom Penh SAPORDAMEAN SEREIPHEAP THMEI in Cambodian 13 Jan 96 pp 1, 4

[Commentary by Hun Sienal alias "Miss Hen Sun"]

[FBIS Translated Text] Hun Sen, former Khmer Rouge spy, number two in the Cambodian Communist Party, and member of the Indochinese Communist Party led by the late Ho Chi Minh, shamelessly boasted about the progress in Cambodia after 7 January 1979.

In the view of local and foreign observers "the slight progress in Cambodia at present is the result of the 23 October 1991 Paris peace agreement and the UN-sponsored election."

Without over 20 years of war in Cambodia and without the communist regime, Cambodia would have developed far more than what Hun Sen has boasted about. Similarly, without the resistance movement of patriotic Cambodian individuals such as Molinaka, the Khmer People's National Liberation Front, and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], Hun Sen's communist Cambodians would have given the whole of Cambodia away to Vietnam, and then Cambodian lives would have been trampled upon by the Vietnamese. Can you see this now with your other eye, Hun Sen? What you and your colleagues did in reviving 7 January 1979 was to return to the same dictatorial communist regime.

Hun Sen, and those of your colleagues with limited knowledge, think about it for a while! Why did the United Nations support the tripartite resistance movement and end Vietnam's control without recognizing 7 January 1979? What did Hun Sen do while in power? As a folk politician put up by Vietnam, Hun Sen ought to learn from history.

The current changes are the result of the struggle by the Cambodian people to demand freedom, democracy, and human rights. Why does Hun Sen want to return to the past, to the dictatorial regime?

In sum, Hun Sen's boasting about 7 January is deceitful and falsifies the truth. People think that Hun Sen is starting to talk about what people hate and what people already decided to vote against on 23 May 1993; or Hun Sen is dreaming of unearthing the old cadaver and using it again.

A ghost can frighten only those who are afraid of it.

Cambodia: PGNUNS 'Minister' Interviewed on SRV Incursions

BK2301120996 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 22 Jan 96

[Interview with Mak Ben minister in charge of rural area, agriculture and water conservancy of the Provisional Government of National Union and National Salvation of Cambodia, by an unidentified correspondent on 22 January; place not given — recorded]

[FBIS Translated Text] [Correspondent] Greetings, Your Excellency. Would you please tell us and our compatriots about the outcome of the 22 January cabinet meeting?

[Mak] Yes. During its 22 January meeting, the cabinet of our Provisional Government of National Union and National Salvation of Cambodia [PGNUNS] discussed the reports by the Ministry of the National Army and provincial commissions of the PGNUNS concerning communist Vietnam portioning out Cambodian territories along the eastern border.

[Correspondent] How has communist Vietnam portioned out Cambodian border territories?

[Mak] Communist Vietnam has portioned out Cambodian territories along the Cambodian-Vietnamese border from the Dragon's tail area in Ratanakiri Province, Mondolkiri, Kratie, and Kompong Cham to Takeo and Kampot Provinces, the seas, and islands. The Vietnamese invaded 20-30 kilometers deep into the Cambodian territory. In some areas, they have invaded 40-50 kilometers deep inside our territory. They have abolished Cambodia's territorial integrity and border to allow the Vietnamese nationals to get in and out of Cambodian territory at will. They have sent Vietnamese nationals to settle down in Cambodia. They have plundered Cambodian people's villages, rice fields, orchards, rivers, streams, lakes, and forests. They have set up Vietnamese authorities on Cambodian soil, including communist Vietnamese troops overtly and permanently stationed on our soil.

The communist Vietnamese authorities, troops, police, and even settlers have bullied, oppressed, and driven our Cambodian people — owners of the country, land, and seas — out of their land and shot them down dead like beasts.

[Correspondent] In the northeastern provinces of Cambodia, up to which areas have the communist Vietnamese annexed our territory?

[Mak] The Vietnamese have annexed the whole of the Dragon's tail area in Andong Meas District of Ratanakiri Province, the whole of the upper Se San River — our Cambodians cannot enter this area — the southern part of the Se San River, and 30-40 kilometers deep inside the areas along Route 19 up to Sre Pok. The Vietnamese nationals from the mountainous and central areas have been sent to settle down in the areas from O Lu to O Tang, where they have felled all our trees. In the lower part, they have annexed the areas stretching from the border to O Dak Dam to Bak Rovich to Chineang to route DT in Mondolkiri Province to Senmonorom and to O Rang. The Vietnamese nationals can freely get in and out of these areas to fell our trees and send them to Vietnam.

In Kratie Province, the Vietnamese have annexed a 30 to 40 kilometers wide strip of our territory from the border area to Lapakhe to Sre K[illegible]m and to Snuol District. Down south, the Vietnamese have also annexed the areas in the Kompong Cham Province, including Memot, Krek, and even Heng Samrin's hometown.

[Correspondent] Lately, Ranariddh pretended to make a hue and cry about communist Vietnamese troops and nationals plundering our rice fields and orchards in Svay Rieng Province. Do you have any comment on that?

[Mak] Why has Ranariddh done that? Would Ranariddh dare to do that by himself? No. Ranariddh would not dare. Ranariddh is a puppet of Hun Sen, who is out-and-out lackey of communist Vietnam. He does not dare to do anything by himself. Ranariddh staged this farce at Hun Sen's order. The Svay Rieng issue is just a comedy. Ranariddh is the clown and communist Vietnam and Hun Sen are the directors of this comedy. Communist Vietnam and their puppets have composed this comedy in order to improve Ranariddh's face and the face of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] for serving their 1998 election scheme, that is, to show the others that they still have two heads and not just the communist Vietnam-Hun Sen head. This is a fact.

[Correspondent] Our people have suffered losses in every department: rice fields, orchards, villages, seas, rivers, and streams. They have nothing left to earn their living because communist Vietnam and the Vietnamese nationals have plundered and grabbed everything at will. Have our people along the border risen up to fight?

[Mak] Yes. This land grabbing by communist Vietnam and the Vietnamese nationals has made our entire Cambodian nation and people very angry. All our Cambodians are very angry with the communist Vietnamese — race exterminators — who are tearing at our nation and people at will. This anguish, this anger, has turned into a national and racial antagonism. It has inspired and is pushing our entire nation and people to rise up and wage a life-or-death struggle. They have not just stayed idle. The people in the interior of the country have waged this struggle. The people in the areas bordering Vietnam, who have been plundered and bled white by the Vietnamese for the past 17 years, have also struggled. Out of their deep national and racial hatred of the enemies, the people have waged all forms of struggle in their own localities in order to protect their land, rice fields, and villages. Through this struggle, they are also defending the survival of the Cambodian nation, people, and race and preventing Cambodia from being turned into a second Kampuchea Kraom.

They have struggled against the Vietnamese annexationists and against the traitorous authorities in their localities and even went to Phnom Penh to protest against and condemn the two heads and Hun Sen, who are the top goons of communist Vietnam.

[Correspondent] What is the PGNUNS's stance with regard to this land problem?

[Mak] 1. The PGNUNS and National Union Party [NUP] have time and again solemnly and officially declared the unswerving stance of the PGNUNS. That is, the PGNUNS is the government that is struggling for national salvation. We support the people's struggle and join with the people in waging all forms of struggle to defend the people's land, villages, rice fields, orchards, streams, rivers, seas, and forests, and Cambodia's sovereignty and territorial integrity. We struggle with total commitment for the Cambodian nation, people, and history.

2. The PGNUNS and NUP together with the Cambodian nation and people categorically reject as completely null and void all the agreements and treaties arranged by communist Vietnam for its puppet administration to sign, thus abolishing Cambodia's sovereignty and

territorial integrity and allowing communist Vietnam to grab Cambodian territory and Vietnamese nationals to come to annex Cambodia.

3. The PGNUNS and NUP join with our entire nation and people in the struggle to end the communist Vietnam's war, the war that the alliance and two heads jointly with communist Vietnam have been kindling for 17 years now.

4. The PGNUNS and NUP together with the entire Cambodian nation and people will continue struggling until communist Vietnam agrees to respect Cambodia's sovereignty and territorial integrity in keeping with the 1: 100,000 scaled map that was recognized internationally before 1970.

5. The PGNUNS and the NUP together with the entire Cambodian nation and people will continue struggling for the deportation of the ethnic Vietnamese from Cambodia in line with the PGNUNS' immigration law and international law implemented in all countries across the world.

I would like to emphasize that the PGNUNS and NUP together with the Cambodian nation and people struggle to demand nothing outside the framework of their independence, sovereignty, and territorial integrity.

[Correspondent] Another question is that during the past few days, the two heads tried hard to mobilize the small remnant of their forces to attack Malai. Do you have any comment on this?

[Mak] Yes. Three months of the 18th dry season have elapsed. The two heads have totally lost their mastery and initiative. On all battlefields, from the 17th rainy season to the middle of this dry season, they have continually felt the offensives of the resistance forces of the Cambodian nation and people. During the past several days, the two heads have tried hard to mobilize their ragtag forces and their parachute forces to attack Malai area. Why? This is in order to hoodwink the alliance into paying them more money. However, immediately after the two heads started this scene, they were severely hit, routed, and forced to flee in disarray by our national army and Cambodian people. Many of them were killed or wounded.

The people inside and outside the country have seen clearly that no matter how hard the two heads try, they cannot redress their disastrous situation. The two heads have lost nearly all of their forces. They have been unable to recruit new soldiers and militiamen to fight for them. The people oppose the communist Vietnamese war of genocide. The two-headed troops are short of food, water, and pay. The vital transportation lines — life lines — of the two heads have been disconnected and blocked. This bad situation that the two heads are in has kept deteriorating with each passing season on the military battlefield, showing that they are plummeting toward acute crises in all departments: political, economic, financial, and social crises, and all manner of complicated crises.

The two heads are rotting and decomposing to the bone.

Cambodia: KNP Leader Returns, Holds News Conference

BK2301114096 Phnom Penh MONEAKSEKA KHMER in Cambodian 16-17 Jan 96 pp 1, 4

[FBIS Translated Text] Sam Rangsi, leader of the Khmer Nation Party [KNP] returned to Cambodia yesterday [15 January] at 1840 after leaving the country over a month ago.

Greeting the KNP leader at Pochentong international airport were Khieu Rada, secretary-general; Yim Sokha and Hao Sopheap, deputies secretary-general; and a number of members of the executive committee and of the national council.

A number of local newspapers, such as KAOH SANTEPHEAP and REAKSMEI ANGKOR, published reports saying that there were to be a demonstration and mob attack against Sam Rangsi when he returned to Cambodia on 15 January.

Despite these reports in local newspapers, with courage and patriotism Sam Rangsi has returned to meet with his beloved people with no fear of his detractors' threats.

After leaving Pochentong international airport, KNP leader Sam Rangsi held a press conference at the KNP's main office, during which he talked about the result of his recent trip and the direction and objective of his KNP in the future. Many local and foreign reporters, KNP members, and KNP sympathizers attended the press conference.

Concerning the name, logo, and the founding date of the KNP Rangsi said the party will not be dissolved; it will be a rallying point. The KNP will remain the KNP. It can merge with other parties, three or four of them, and a new body will be set up bearing the old name of the Khmer Nation. As for the party's founding date and logo, these can be discussed.

Concerning a question implying that the KNP is a Khmer Rouge party, Rangsi said the following differences between the two parties exist:

The KNP is within the legal and constitional framework of the Kingdom of Cambodia. The Khmer Rouge does not recognize the Constitution and has been outlawed by the National Assembly. In all circumstances, the KNP will only use legitimate means.

The Khmer Rouge fight with guns while the KNP fights with pens (non-violence). We do not like violence; we strive to find unity for peace. We and the Khmer Rouge are completely different, in our objective as well as in our administration.

Dealing with a question on the point that the KNP has been unfairly accused of being illegal, Rangsi said: Ask the government; based on what law? Which law? Which chapter? Which paragraph says that the party is illegal? The law does not reside on the lips of people who speak only for power.

Rangsi added that the government's decision is not law. Only when something is against what the National Assembly has adopted is it illegal. He also added that we are very happy to have discussions.

Rangsi further said we have the Constitution and this should be respected. As for future laws, their implementation should be under the Constitution.

On the issue whether the government will recognize the KNP or not, Rangsi said if the government still refuses to recognize the KNP, we have many ways to conform with democratic principles to contest the upcoming 1998 election.

He further said that we will join with one of the 20 legal parties of 1992 and we might change the name of the united party back to the Khmer Nation Party. As for the logo and the founding date of the party, we can change them, but we will not change the name Khmer Nation.

Cambodia: Sources of Funds for Hun Sen's Projects Listed

BK2401034396 Phnom Penh SAMLENG YUVEAKCHON KHMER in Cambodian 14-15 Jan 96 pp 1, 4

[Unattributed report]

[FBIS Translated Text] As we all know, Hun Sen has begun financing construction of parks, schools, hospitals, roads, and bridges only since the advent of UNTAC [UN Transitional Authority in Cambodia] into this country. Those of us who lived under the regime in which Hun Sen wielded absolute power never saw him go to the countryside to help build anything, nor to provide assistance to farmers, or inaugurate construction projects as he is doing at this moment.

Nowadays, members of parliament have a hard time finding any duties left for them to perform since the two prime ministers are rivaling each other in distributing gifts to people in rural areas and in opening new schools, hospitals, and roads. Moreover, they take turns almost every day and every night making speech upon speech on radio and television.

Let us look at the sources of Hun Sen's donations. Where does he get the money? Who are his sponsors? What are their businesses? Are they good or bad, honest or dishonest?

In Hun Sen's own words, the money necessary for his varied construction projects, worth more than US$1.7 million, does not come from his own pocket. He has claimed that it comes from charitable contributions. Is that true?

These monetary donations are used by Hun Sen to finance construction of hospitals, schools, parks, and so on. Their sources are:

— Thai Boon Rung Company with Theng Bunma as the big boss. (Theng Bunma was accused by the FAR EASTERN ECONOMIC REVIEW of involvement in large-scale drug trafficking, which is being condemned by the world at large);

— The owner of the International Holiday Hotel (cum gambling den);

— Naga Casino — our country's largest gaming facility;

— Kim Hap Import-Export Company (involved in a lawsuit brought against it by the Ministry of Economy and Finance over contraband activities of its ship Gena early last year; however, the court ruled in favor of the trader);

— Cambodia Tobacco Company;

— An Ko Brothers Company;

— SOKIMEX [Cambodian Import-Export Company]; and so on.

Cambodians know these companies very well. Are their contributions conditional or are they without strings attached? Compatriots are invited to judge for themselves. However, according to economists, Hun Sen should not pocket his pride and meekly (in his own words) solicit such huge contributions from companies of such disrepute. If they do not hesitate to give him money it is surely because they expect to get something back. Or does Hun Sen extort money from these companies to finance his 1998 election campaign of demagoguery and to consolidate his present power base?

Cambodia: Khmer Rouge Gives Detailed Report of Claimed Victory

BK2401041696 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 23 Jan 96

[FBIS Translated Text] The following is an additional report on the National Army's victory in the two-headed offensive on the Sisophon-Poipet battlefield.

I. On 22 January, the two heads painstakingly mustered soldiers, their remaining troops not routed between 15 and 18 January, to mount a two-pronged attack against us. The first prong, which was launched from Thailand in a bid to attack us from behind, moved along the border toward Tumnop O Lhong and Chan Kiri. As for the second prong, it moved along the border toward Tumnop O Lhong as well. The forces used for staging the two prongs were comprised of 3d Division troops and militiamen.

The same day we completely routed the two prongs.

II. The 3d Division's ground troops, which were routed, fled, leaving 20 militiamen behind to protect two tanks. The routed troops retreated to Sisophon. The police unit guarding the Sisophon road used two armored personnel carriers to stop them but to no avail. The deserters sprayed the police with bullets to clear their escape to Siem Reap Province.

So far, more than 300 soldiers of the 3d Division have already fled. They are continuing to flee.

III. The enemies are being routed.

On 22 January, our combatants and people continued to beat and repulse enemy forces at other positions. That is, enemy positions from the Daeum Pring camp to the Daeum Kakoah camp were obliterated.

Now, our forces are attacking at the head of a bridge at Chramoh Chruk and Nong Ian on the route leading to Chamka Ya. As for the 11th Division's forces at Dong Aranh which were completely routed, they are also all escaping.

A fleeing tank unit ran out of fuel when it reached Route 5. It is in a panic because Route 5 is now unprotected.

We continue to pursue, attack, and repulse the routed enemy forces toward Route 5.

IV. After being routed in groups, the two-headed troops are faced with the following situations:

1. The tank unit has become demoralized and dares not to continue fighting.

2. Both the soldiers and commanders of the special 911th paratroop unit continue to desert.

3. The more than 100 remaining soldiers of the 3d Division continue to desert one after the other.

Cambodia: Report of Assassination Plot Against Hun Sen Examined

BK2601060196 Phnom Penh ODDAMKEAKTE KHMER in Cambodian 22-23 Jan 96 pp 1, 2

[Report by Nem Fork]

[FBIS Translated Text] According to a strange press report from Phnom Penh, a group of army officers wanted to liquidate Hun Sen. The assassination plot which was not carried out yet was discovered earlier by the authorities.

This is only a part of the unconfirmed report circulated by the source above. As for us, we also cannot say whether the story is true or not. Nevertheless, some points relating to the way the story was made known is suspect:

1. The report about the attempt to liquidate Hun Sen was circulated by two puppet newspapers that are the mouthpieces of the current ruling royalist clan. Other Cambodian newspapers paid no attention to the story. Perhaps they think that the story has been fabricated and that newspapers should not comment on it further to confound the public.

We wish to emphasize that Hun Sen has broken up the Cambodian Journalists Association, making it easy for him to fool other people. Therefore, it is without doubt that the story has been blatantly invented.

The royalist clan has circulated the story for the sole purpose of camouflaging the corrupt practices perpetuated by its associates. It is very well known that the clan has an intense desire to practise magic. The clan also has the habit of telling lies and practising deception to divert public attention from the irregularities it has committed.

It is so bad that a few days ago there was a drug scandal which, most people believed, implicated the top leader of the associates of the royalist clan, especially Theng Bunma [incumbent chairman of the Cambodian Chamber of Commerce].

It has already been widely known that the Cambodian-Thai merchant is extremely influential. He has spent large sums of money to buy off Cambodian leaders, making them protect his interests. So, whenever the merchant is in difficulty and whenever his interests are affected, the royalist clan, in a show of force, always comes to his defense immediately.

It is still remembered that the royalist clan, which is well known as Theng Bunma's protector, sacked a Cambodian economics minister from the Royal Government because he was fearless in taking legal action that could have damaged the interests of the clan's boss. In violation of the constitution, the puppet National Assembly also voted to remove the minister from the assembly. This clearly shows that the royalist clan, which has been sucking the blood of the Cambodians, is completely immoral. Whenever it thinks its interests is threatened, the clan never hesitates to employ dirty tricks in defense.

2. Another important point is that about two months ago, a senior Cambodian officer reported a drug smuggling case to a group of international reporters, saying some powerful people from the royalist clan were also involved. A few days later, it was heard that the senior officer was removed from his post. After that, it was rumored that a group of Cambodian officers had attempted to assassinate Hun Sen.

However, it is asked whether the fabricated story was circulated by the puppet newspapers of the royalist clan to justify the arrest of the group of officers who were unafraid to denounce the irregularities of the clan. The story, true or not, shows that the monarchy, which serves the stateless merchant for money, is drowning deeper.

Moreover, with the story, it is known that our Cambodian compatriots from all walks of life, especially certain army officers who are still imbued with nationalism, are not afraid to denounce and oppose the dictatorial regime more forcefully.

Availing ourselves of this opportunity, we wish to express, via this newspaper, our support for the courage and bravery of the group of personalities. We hope that with your courage, our country will, one day, be able to rid itself of the yoke of the royalist group.

Indonesia

Indonesia: Suharto Hosts Banquet for Canada's Prime Minister

BK1801123696 Jakarta ANTARA in Indonesian 1714 GMT 17 Jan 96

[FBIS Translated Text] Jakarta, 17 Jan (ANTARA) — President Suharto says Indonesia wants to expand ties with Canada, especially in economic and trade, technology transfer, and education sectors.

"The fact that hundreds of prominent Canadian businessmen have joined your excellency's current visit to Indonesia reflects Canada's readiness to expand mutually beneficial cooperation," said President Suharto at Jakarta's State Palace on Wednesday night at a banquet in honor of Canadian Prime Minister Jean Chretien and his wife.

At the banquet attended by Mrs. Tien Suharto, the vice president and Mrs. Sutrisno, the head of state said Indonesia is aware that the burden and responsibility of development rest on the shoulders of the Indonesian people themselves.

"However, experience shows that cooperation with other nations will bring huge benefits to our nation," the president told the Canadian visitor, who arrived in Jakarta on Tuesday evening.

The head of state said the Indonesian Government has allowed the private sector to play an active role in national development — about 70 percent of the total investment in the Sixth Five-Year Development Plan are expected to come from the private sector.

"This means that human rights and democracy as values guaranteed by the constitution are recognized as forces to promote development," said the president, stressing the government's stand which appreciates public creativity.

As for ties, the head of state said both countries have close ties not only at international, but also at regional level forums such as APEC [Asia-Pacific Economic Cooperation], the ASEAN Regional Forum, and at the ASEAN-Canada dialogue sessions.

"I highly appreciate Canada's move to hold consultations with ASEAN and to send the results of consultations to the participants of the Halifax summit meeting," said the head of state.

The president also mentioned Indonesia's high appreciation of Canada's role in solving political, economic, and security issues in the international arena.

After the banquet, the Canadian prime minister bid farewell to President Suharto as he is scheduled to resume his trip to Kuala Lumpur, Malaysia, on Thursday morning.

Indonesia: Minister Briefs Media on Suharto-Chretien Talks

BK1701122296 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 17 Jan 96

[Report by Joko Saksono]

[FBIS Translated Text] Both President Suharto and Canadian Prime Minister Jean Chretien agree that economic and trade relations between their two countries have been further developed and bilateral dialogue has been going on very impressively.

Minister and State Secretary Murdiono confirmed this in a briefing to reporters on the results of one-on-one talks between President Suharto and Prime Minister Chretien about 90 minutes ago. According to Minister Murdiono, the two leaders believe that the promotion of Indonesian-Canadian economic and trade relations could not be simply measured in the amount of investment or bilateral trade.

[Begin Murdiono recording, in progress] The president highly appreciated the presence of about 300 prominent Canadian businessmen as part of the delegation. The president stressed that foreign aid was still needed for our development. Nevertheless, the promotion of economic cooperation in general, and trade in particular, is far more important than foreign aid.

(?A series) of memorandums of understanding worth about US$1.5 billion will be signed during the prime minister's current visit. Over 50 contracts will be involved.

The prime minister specifically offered Canadian expertise in the (?elevated) railway transport. Canada appears to have experience in this area. The president welcomed the offer, and Indonesia will seriously consider it. Railway transport will be something good for us. The president thinks its development will provide our people with the opportunity to absorb Canadian technology. Canada offered possible foreign investment in the railway transport.

Canada also offered its expertise in telecommunications, mining, and the generation of electricity by nuclear power. The president agreed that nuclear power is an alternative source of electricity. On the one hand, people's welfare increases as our economy expands. On the other hand, other sources of electricity are definitely limited. The president stressed that nuclear power would be the last alternative. Regarding possible risks, the president said any steps would involve risks. Thus, the risks of nuclear power plants should be minimized.

There is another matter that I should disclose. Touching on the East Timor issue, the prime minister was aware of current talks between the Indonesian and Portuguese foreign ministers on the issue. The prime minister hoped that the East Timor issue could be settled appropriately under terms acceptable to all parties. [end recording]

This has been Minister and State Secretary Murdiono's briefing on the results of the one-on-one talks between President Suharto and the Canadian prime minister.

Meanwhile, the Canadian prime minister and his wife were officially welcomed by President and Mrs. Suharto in a ceremony at the Merdeka Palace earlier. A 19-gun salute was fired and the national anthems of the two countries were played in the ceremony. The Canadian prime minister attended a meeting between businessmen of the two countries at noon, and will attend an official dinner banquet at the State Palace tonight.

Indonesia: Military Captures Six-Member GPK-Fretilin Team

BK2501121396 Jakarta ANTARA in Indonesian 1007 GMT 25 Jan 96

[FBIS Translated Excerpt] Dili, 25 Jan (ANTARA) — An ABRI [Armed Forces of the Republic of Indonesia] task force captured a GPK-Fretilin [security disturbance movement-Revolutionary Front for an Independent East Timor] team at Atus Commune, Saburai Village, Kailaco Sbudistrict, Bobonaro District on Wednesday night (24 January).

"A GPK team comprising Commander Inacio Metan alias Naroman and five members were ambushed by an ABRI unit in Bobonaro on Wednesday night (24 January)," Infantry Colonel Mahidin Simbolon, commander of the 164/Wiradharma Military Area Command of East Timor, said in Dili on Thursday [words indistinct]. [passage omitted]

Speaking to reporters, Naroman said the five members were Bonifacio, [name indistinct], Rodolfo, Leobalo, and Carlito. The GPK-Fretilin team belonging to the Ernesto-led group did not carry any weapons when they were ambushed by the ABRI unit.

Inacio Metan alias Naroman, who confessed [words indistinct] in 1993, said he was a second-year dropout of the State Senior High School I [Roman number one] in Ermera.

Inacio Metan and the five members were active as guerrillas in [place names indistinct] to seek logistical supplies to enable GPK- Fretilin members to survive. [passage omitted]

"Our team only stole food and consumed it to survive in the jungle," he said.

When asked about his feelings after being captured by the security forces, he said he was no longer afraid.

"I and my members have sworn not to return to the jungle because the life there is very miserable," Inacio Metan, whose hair is over shoulder-length, said.

Infantry Col. Mahidin Simbolon, who was accompanied by Captain (Reservist) Joko Purwadi, head of the Information Service of the 164/Wiradharma Military Area Command, said no legal action would be taken against the captured GPK-Fretilin members.

"They offered no resistance when they were ambushed by the ABRI unit," he said.

The military will humanely treat and educate all captured GPK-Fretilin members so that they will truly realize their mistakes.

Indonesia: OPM Activities, Current Status, Struggles Reviewed

BK2301083596 Jakarta GATRA in Indonesian 20 Jan 96

["Rubric" of the "Main Report" by Dwitri Waluyo: "Border Crossings by the OPM"—received via Internet]

[FBIS Translated Text] The OPM [Free Papua Movement] has conducted its activities since 1964. Is it true that their weapons are supplied from Australia?

Permenas Ferry Awom, a sergeant major in the Papuan Volunteers Battalion, which was created by the Netherlands, raised the OPM's prestige through an armed rebellion in Mankowari on 26 July 1965. The term OPM was given by the Government of the Republic of Indonesia. They themselves called their movement the Organization of the Struggle for the Independence of West Papua. However, the term OPM has already come into use. "The term has been well accepted by rebel leaders because it is short and easily remembered or popularized," John R.G. Jopari said in his book "The OPM Rebellion."

Since then, its activities have been sporadic in the three regions of Irian Jaya — Biak; Bird's Head; and the border between the Republic of Indonesia and Papua New Guinea, which include the districts of Biak-Numfor, Sorong, Paniai, Fak-Fak, Japen-Waropen, Merauke, Jaya Wijaya, and Jayapura. In addition to the armed resistance, its members have conducted political activities internationally.

The separatist movement proclaimed the formation of the Government of West Papua under the leadership of President Brigadier General Seth J. Rumkorem on 1 July 1971. The OPM, thus, remains an irritant from year to year. Until 1984, its members have conducted at least 17 major operations. They conducted two kidnappings, launched four mass demonstrations, and held various flag-hoisting ceremonies. The OPM's overseas political activities have been openly conducted by Johan Ariks (leader), Nikolas Jouwe (secretary), and members Markus Kaisiepo and Abdullah Arfan since 1951 (year as received). Kaisiepo and Jouwe joined hands later. Their network extends from their headquarters in the Netherlands to Africa, Europea, the Americas, and the South Pacific.

However, at home the OPM is in disarray. Troops of the Armed Forces of the Republic of Indonesia [ABRI] dealt it a blow during Operation Sadar led by Brigadier General R. Kartijo in 1970, while the Permenas's resistance was crushed by Brig. Gen. Sarwo Edhi also in 1970. When Brig. Gen. Raja Kami Sembiring Meliala was commander of the Cenderwasih Military Region Command (1980-1984), the ABRI switched to territorial operations in Irian Jaya.

The ABRI strategy has succeeded in neutralizing the OPM's aggressiveness. A number of OPM members were successfully persuaded to come down from the mountains, and the remnants have their defense base only along the border. The OPM is relatively safe there. "OPM members can escape to Papua New Guinea if they are chased. If they do so, we will be in a difficult position," Brig. Gen. Suwarno Adiwijoyo, head of the ABRI Information Service, said. In the 1970's, the Papua New Guinean Government under Prime Minister Michael Somare reportedly supported them.

The OPM's strength in terms of the number of personnel and weapons is not clear. In his book, Jopari, a native Irianese, noted that the Permenas forces were supported by 14,000 Arfak tribesmen in 1967. Nevertheless, the strength of the remaining OPM guerrillas remains in question. Where they get their weapons from is not clear either.

Indeed, the matter has become a long-standing story. The case of Gary Scott was an example. In 1984, the Australian Federal Police accused Gary Scott, a former lieutenant in the Royal Australian Army, of supplying weapons to the OPM. Scott rejected the accusation and said none of the OPM's weapons were bought in Australia. Nevertheless, Scott said: "The OPM is indeed short of weapons and hopes to obtain or buy weapons from any country".

The OPM's resistance cannot be easily crushed despite its lack of combat arms, mainly because its members can easily escape across the border and hide in Papua New Guinea. In contrast, the OPM has become more active over the past two years. The story "Bloody Timika" released by the Australian Council For Overseas Aid [ACFOA] reaffirmed OPM's existence. According to the story, which was based on a finding by Bishop Monsignor Munninghoff, there were armed clashes between the ABRI and OPM, which the security forces refer to as the GPK [Security Disturbance Movement]-OPM between July and December 1994. The clashes in Tsinga Valley, 200 kilometers from Timika, left 37 people dead or missing, 22 of whom were civilians. The OPM's Kelly Kwalik faction did not react to the incidents.

The OPM made its presence felt on 22 December last year when it officially claimed responsibility for the kidnapping of two students and demanded that the Irian Jaya Provincial Administration pay 20,000 kina (34 million rupiah) in ransom for their release. The first kidnapping remains unresolved. The OPM again claimed responsibility for the kidnapping of 24 members of the Lorentz 1995 expedition team in Mapunduma village, Jayawijaya, Irian Jaya.

The final objective of the latest kidnapping is to urge the Republic of Indonesia to end its rule in Irian Jaya. Nevertheless, Moses Weror, the OPM spokesman in Papua New Guinea, told Radio Australia of the Australian Broadcasting Corporation that they also demanded a ransom to compensate for the "disappearance" of a number of Irianese "since Irian [Jaya] was freed from Netherlands colonial rule and integrated with the Republic of Indonesia in May 1963" due to military activities.

The Netherlands' role was instrumental to OPM's existence. The colonial government changed its strategy through the involvement of van Echoud [no title given]. A "Papuan nationalist" elite subsequently emerged, although the land of windmills suffered a deficit in developing Irian Jaya. The local people felt that they were prepared for independence.

Simultaneously, a pro-Indonesian elite was, however, born. The two elite groups have frequently switched sides. Pro-Indonesian figures have frequently become anti-Indonesian or vice versa. A number of Indonesian military personnel of Irianese origin have defected to the OPM. Meanwhile, the OPM under Commander Gerardus Thomi had managed to persuade 11,000 residents of Merauke and Jayapura to cross into Papua New Guinea by December 1984. They were taken to refugee camps known as Black Water and Black Wara in Vanimo, which were built by the Papua New Guinean Government for OPM members.

Indonesia: Radio Contact With Irian Jaya Abductors Stopped

BK2601081296 Jakarta ANTARA in Indonesian 0710 GMT 26 Jan 96

[FBIS Translated Text] Jayapura, 26 Jan (ANTARA) — It is still unknown when the hostage-taking drama affecting members of the 1995 Lorentz expedition team will end.

This is because the GPK [security disturbance movement] abductors have stopped radio contact with ABRI [Armed Forces of the Republic of Indonesia], which now can only wait for it to resume. Lieutenant Colonel Sumerta Ayub, commander of the Jayawijaya District Military Command, said this to ANTARA in Jayapura on Friday.

Due to the loss of radio contact, ABRI can do nothing but wait for the abductors to initiate contact again. In the absence of any activity, Brigadier General Prabowo Subianto, commander of ABRI Special Forces, left Wamena for Jayapura this Friday morning.

He was scheduled to meet the commander of the Trikora Eighth Regional Command, who is chief of the task force to free the hostages, to discuss the next move.

Lt. Col. Sumerta Ayub said GPK leader Kelly Kwalik, who has now replaced Daniel Yudas Kogoya as the leader of the abductors, refused to hold dialogues with ABRI authorities during the last radio contact on Thursday afternoon.

Catholic Bishop Munninghoff and Pastor Andrian van der Bijl, who visited Mependuma village as mediators on Thursday, even failed to bring back any hostages.

Lt. Col. Sumerta Ayub added that after the loss of contact, ABRI has not dropped new supplies of foodstuff and medicine on Mapenduma village. "We are still waiting for further developments to see whether the GPK will contact us again," he said.

Indonesia: Rebel Leader Passes Political Documents to Mediators

BK2601095296 Jakarta ANTARA in Indonesian 1714 GMT 25 Jan 96

[FBIS Translated Excerpt] Wamena, 25 Jan (ANTARA) — Kelly Kwalik, leader of the Irian Jaya GPK [security disturbance movement], gave several political documents to the two churchmen who acted as mediators at their meeting in Mapenduma village. He asked the churchmen to deliver the political documents to three foreign embassies in Jakarta.

Reporting from Wamena on Thursday evening, ANTARA correspondent Benny Siga Butar-Butar quoted an ABRI [Armed Forces of the Republic of Indonesia] senior officer as saying that the documents most likely contain the political demands of the kidnappers.

The British, Netherlands, and German Embassies were identified as the three embassies in Jakarta, all of which have had their nationals taken hostage in Irian Jaya.

The contents of the documents were not disclosed to reporters, and sources in Wamena also knew nothing about them. The ABRI senior officer said: "The documents are on political matters that the central government in Jakarta will address. We are only involved in freeing the hostages."

Back to Square One [subhead]

The officer said ABRI is disappointed over the arrival of Kelly Kwalik at the site where the hostages are being held because the negotiation process has returned to square one.

There was hope before Kwalik's arrival that all of the hostages would be released on 25 January. Kwalik's presence will hinder the negotiation process, and everything must be done from the beginning again.

He assured, however, that ABRI will continue its persuasive approach and exercise self-restraint, while seeking new chances to solve the problem without resorting to military action. [passage omitted on details of the two churchmen's meeting with the kidnappers]

Laos

LAOS: PRC Group From Yunnan Province Visits

BK2201145096 Vientiane KPL in English 0925 GMT 22 Jan 96

[FBIS Transcribed Text] Vientiane, January 19 (KPL) — A high- level delegation of Yunnan Province of the People's Republic of China led by Mr. Quao Yien, member of the Communist Party of China Central Committee (CPC CC), secretary of the provincial party committee, arrived here on January 18 for a friendship visit to Laos at the invitation of Mr. Boun-gnang Volachit, mayor of Vientiane Prefecture.

On the afternoon of the same day, a high-level delegation of Vientiane Prefecture, led by Mr. Boun-gnang Volachit who is also secretary of the prefecture party committee, held formal talks with Mr. Quao Yien, who is also advisor to the people's administration of Yunnan Province, and his delegation at Lan Xang hotel. The two sides expressed their satisfaction at the relations and cooperation in several domains in the past between Yunnan Province and Vientiane Prefecture.

The two sides also agreed to continue to strengthen these relations and cooperation day by day. They also discussed cooperation in the future among other issues.

During its four-day visit to Laos on January 18-21, the Chinese delegation will call on some Lao leaders of the party and government and visit the industrial and trade zone and some cultural sites in Vientiane Prefecture and Savannakhet Province.

LAOS: Cross-Border Transport Services Inaugurated With China

BK2301014096 Vientiane KPL in English 0907 GMT 22 Jan 96

[FBIS Transcribed Text] Vientiane, January 19 (KPL) — Laos and China on January 15 inaugurated cross-border services of passengers and goods transport between Boten, Luang Namtha District, the northern province of the same name, and Bo han, La District, Yunnan Province, China.

The inauguration is in response to the growing volume of passengers and goods across the border on the one hand, and to make immigration and border trade orderly on the other.

Attending the inaugural ceremony were Mr. Kouan Keomani, governor of Luang Namtha, the vice-governor of China's Yunnan Province, representatives of communication services of the two countries, and a number of local people.

LAOS: Defense, Security Agreement Signed With SRV Province

BK2001152896 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 19 Jan 96

[FBIS Translated Text] Nakhon Sisanon, party secretary and governor of Bolikhamsai Province, and Ho Xuan Hung, administrative chairman of Nghe An Province of the SRV, jointly signed a memorandum on an exchange and coordination of national defense and public security work and the maintenance of order along the common border of Laos' Bolikhamsai Province and Vietnam's Nghe An Province. According to the memorandum, the two sides have agreed to study the possibility of opening a market at a border point where cross-border trading activities and exchanges of goods can be carried out. They have also agreed to coordinate in managing labor in accordance with laws of the two countries in order to create favorable conditions for businessmen of each country to carry out business activities. Also stipulated in the memorandum is the continuation of the implementation of various existing projects, such as projects in the agricultural, forestry, industrial, trading, and tourism fields, as well as the exchanges of delegations to make field trips and the coordination in building and training cadres in these spheres.

The agreement was signed in Bolikhamsai Province on 16 January during the visit to the province by the Vietnamese provincial delegation. The SRV's Nghe An provincial delegation visited Laos' Bolikhamsai Province on 16 and 17 January.

Philippines

Philippines: Navy Exchanges Gunfire With Possible PRC Vessels

BK2601131396 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 26 Jan 96

[FBIS Translated Text] [Unidentified announcer] A Philippine Navy gunboat exchanged gunfire with one or two vessels from China, according to a military report released by the Philippine News Agency.

The incident, which was confirmed by Navy Chief Rear Admiral Pio Carranza, occurred inside Philippine territorial waters near Capones Island in Zambales Province.

According to the report, the Philippine Navy sighted the vessels while patrolling last Monday evening. The Philippine Navy fired warning shots to make the vessels stop, but the vessels returned fire. The gunfire lasted for one and a half hours. When a vessel was located opposite a search light, a red star flag of the type belonging to the People's Republic of China was seen. The vessels were able to escape because the Philippine Navy boat ran out of fuel. No casualties were reported.

If this report is confirmed, this is the first military conflict between the two countries since their [word indistinct] in the Spratly Islands.

Susan Enriquez is with the Philippine Navy now to give us the latest update on this incident. Susan, come in:

[Enriquez] With us here is Philippine Navy spokesman Commodore Eduardo Maria Santos. Sir, what is the latest report on the gunbattle that occurred between our Philippine Navy and the two vessels?

[Santos] We are currently continuing our investigation to really learn, to get an indication as to what the nationality of those vessels was. So far, we do not know.

[Enriquez] Sir, there are reports that they were Chinese vessels, that they seemed to be Chinese vessels, and our vessel backed off because it ran out of ammunition and fuel. How true is this?

[Santos] It is wrong. First, as I said before, we are still not sure if these were Chinese vessels because we were not able to board them. The distance was about 800 meters, or yards; 800 yards is far.

As to the report that there was a red flag, most fishing boats when they (?sail) have red lights, and they also have red flags. So you cannot determine their nationality. At that distance, you cannot identify a vessel unless you board it and ask for papers.

Now, as to the report on running out of fuel, that is not true. The first reason why the pursuit was discontinued is that they were heading far out to sea, and there were other radar contacts nearby. So we do not know their identity. We needed to surround them, and the feeling was that it was the captain's decision. The captain decided to discontinue the pursuit and to search the surroundings. The surroundings might have been more important, and the vessels were also heading out to the sea.

[Enriquez] That was Commodore Santos from the Philippine Navy. This is Susan Enriquez.

[Announcer] In a statement sent to GMA by the Department of Foreign Affairs [DFA], it confirmed that there had been an encounter, but it could not confirm whether the vessels came from China. According to the DFA, it was just a simple crime, without political significance.

Meanwhile, Senator Blas Ople has asked in a statement for an investigation and also asked when the government will lodge a formal protest with China or the United Nations.

In the meantime, as of this hour, the Chinese Embassy has no comment on the reported incident. Their spokesman is allegedly not available.

When we talked to the U.S. Embassy, they said that it was our news program that had reported the news. This was the first time they had heard this report.

In the meantime, here is the Philippine Armed Forces statement on the incident:

[Begin unidentified military official recording, in English] We just like to emphasize here that the chief of staff, General Enrile, has directed, has been directed by Malacanang [Presidential Palace] to (?formally) direct the Philippine Navy to look into the veracity of the report and, first and foremost, ascertain the identity of the vessels. [end recording]

Philippines: Ramos Confirms Assassination Plot Against Him

BK2601063996 Manila PNA in English 0721 GMT 25 Jan 96

[From the Press Review — received via Internet]

[FBIS Transcribed Excerpt] Manila, Jan. 25 (PNA) — Following are the top stories and excerpts of commentaries in the major English- language Philippine newspapers today: [passage omitted]

'Oplan Bojinka' for real — Ramos — Pres. [President] Ramos confirmed yesterday a secret intelligence report on an alleged assassination plot against him and two other top officials code- named "Oplan Bojinka."...

"I hoped people will not think we are concocting ghosts and phantoms," the president said as he explained his order for a closed-door briefing on "Oplan Bojinka" for senators and congressmen at Malacanang [Presidential Palace] on Friday...

Sen. Raul Roco earlier said the alleged plot by an international terrorist group become the basis for the controversial antiterrorism bill. (STAR) [passage omitted]

Philippines: President Denies Move Toward Martial Law

BK2301113596 Manila PNA in English 0952 GMT 22 Jan 96

[By Ruben B. Cal — received via Internet]

[FBIS Transcribed Text] Manila, Jan. 20 (PNA) — President Fidel V. Ramos Friday night [19 January] branded his critics as preposterous and irresponsible for relating the proposed antiterrorism bill and anticrime measure as a plot to move the country to martial law.

The president blasted at his critics in a speech at the induction of the new board of directors of the Kapisanan Ng Mga Brodkaster sa Pilipinas [Association of Broadcasters in the Philippines] at the Westin Philippine Plaza Hotel.

"If some politicians and media practitioners are resurrecting bugaboos about Martial Law, let me simply remind them, that it was your humble servant, Ramos, who mobilized the military and police to help overthrow the dictatorship in February 1986. That is on record — by media," the president said.

Ramos, who was then the AFP [Armed Forces of the Philippines] vice chief of staff and chief of the Philippine Constabulary and Integrated National Police, together with then Defense Minister Juan Ponce Enrile was one of the key players in the now famous EDSA [Epifanio de los Santos Avenue] Revolution that toppled the 20-year Marcos regime.

As AFP chief of staff and secretary of defense, Ramos led the fight to thwart various coup attempts by rebel soldiers against then President Cory Aquino.

"That, too, is on record — by media. The result of all of this is, greater democratic space and internal stability for all, including for politicians and media — including for our most severe critics," the president said.

He said that "all these I, as your president, will continue to protect and defend" democracy in the country, the president added.

President Ramos asked the support of the media, particularly the broadcast industry in rallying the people to support the government in the fight against terrorism, crime, and violence.

The president said that there is no question that the country is facing the twin problems of crime and terrorism that threaten the very gains the nation has achieved during the past three and a half years.

"I submit that we have made our country a much safer place to live in and do business in over the past three years and a half — but I also recognize that will still have a long way to go particularly in congested and visible areas like Metro Manila," the president said.

He said that the threats of terrorism and mindless violence have made the challenge even more formidable.

"This is the struggle in which we need you in the media more than ever," he said.

The president said that media can help by combining "with your daily coverage of crime and terrorism — reportage also on what our government and law enforcement agencies are trying to do."

Media can also help by providing support for much needed legislation to effectively combat crime and terrorism that have threatened the people.

The president said that "Congressional efforts to pass an antiterrorism bill and a better anticrime law are now being presented as a plot to move the country into a martial law situation."

"This is preposterous and worse yet, irresponsible," the president said.

The role of media is to remind the government of its responsibilities "when we falter. But it helps if you also cheer when we do the right things. And we are doing many things right!" he said.

The president appealed to help him in the battle against poverty, crime, corruption inefficiently, terrorism and lawlessness.

"Help me in attaining the vision of a progressive and modern Philippines as we enter the 21st century. Help me because to do so is also to help yourselves in your media profession," the president said.

"Beyond all of us in this assembly of media leaders, we help the people who have suffered too long from the lack of wherewithal opportunity and enlightenment," the president said.

Senator Juan Enrile formally filed in the Senate last week an antiterrorism bill design to curb the spread of international terrorism in the country.

Likewise, Paranaque Rep. Roilo Golez filed an anti-crime bill in the Lower House.

Enrile's bill has triggered a controversy even before the measure has been filed.

Press Secretary Hector Villanueva cited the need for the country to adopt the strong measure to fight international terrorism.

At least 25 suspected foreign terrorists were arrested by the military and police last month in various places in Metro Manila and suburbs.

He said that the proposed Enrile bill will not affect press freedom which is now enjoyed by the Filipinos.

The bill provides among others authorizing the police of tapping the telephones of suspected terrorists operating in the country.

It will also allow the police to look into the bank accounts of these terrorists.

However, the Enrile bill has many safeguards to prevent the police from abusing such powers.

Philippines: Army Chief Reports on Operations Against Rebels

BK2301113396 Manila MANILA BULLETIN in English 23 Jan 96

[Report by Jen L. Jorvina — received via Internet]

[FBIS Transcribed Text] Camp Nakar, Lucena City — Maj. Gen. Clemente P. Mariano, Southern Luzon Command (Solcom) commander and incoming Philippine Army (PA) chief, said here yesterday that the strength of the New People's Army (NPA) rebels operating in Bicol and Southern Tagalog has substantially been reduced due to combat, intelligence, and civil military operations last year.

Speaking during the 9th Solcom foundation anniversary here, Mariano said the command engaged in 1,077 combat operations with the enemy, 1,059 of which were initiated by the troops, and 20 by the NPA.

He said government troopers killed 52 rebels, compared to 14 slain by the NPA.

He said the 2d Infantry Divison under Brig. Gen. Romeo D. Lopez, division commander, led with 29 rebels killed, the Philippine National Police with 18, and PA Special Forces Company with five.

Mariano said rebels killed eight Army soldiers, three policemen, and three militiamen.

The Solcom commander said that a kill ratio of 1:5 in favor of the government. [sentence as received] At the same time, it recovered 54 high-powered guns and 22 low-powered firearms last year.

The strength of NPA rebels in Region 4 decreased from 583 to 444 rebels or 23.8 percent, while 783 to 674 rebels or 14 percent in Region 5.

Mariano, who was designated by President Ramos as the new Philippine Army chief succeeding Lt. Gen. Orlando Soriano who is retiring on Jan. 25, said Solcom personnel worked hard in relief, rescue, and rehabilitation of roads through the 51st Engineering Brigade during typhoon "Rosing."

He reported that the command rescued a total of 12,572 typhoon victims and airlifted 550,000 cargoes and 2,520 passengers to high ground and sealifted 205 tons of Bailey bridge panels.

The Solcom affair was highlighted by the unveiling of markers of the Galido and Tanada hall by AFP [Armed Forces of the Philippines] chief of staff Gen. Arturo T. Enrile, guest of honor and speaker.

Philippines: Amendment to Revised Penal Code Proposed, Explained

BK2501072296 Manila BUSINESS WORLD in English 25 Jan 96

[Report by Wilfredo G. Reyes and L. A. Esguerra, J. U. Nuqui, and M.V. Lopez — received via Internet]

[FBIS Transcribed Text] Malacanang has backed off from supporting the proposed anti-terrorist and anti-crime bills pending in both Chambers of Congress in the wake of mounting public opposition.

Instead, it has indicated support for a mere amendment of the Revised Penal Code to serve the same purpose.

Justice Secretary Teofisto Guingona recalled the meeting yesterday of the Legislative-Executive Development Advisory Council, a 20-member ad hoc body composed of representatives from various Executive branch departments, both Chambers of Congress and various sectors, had solicited suggestions from the Department of Justice (DOJ) that will effectively junk the proposed bills. Instead, a mere amendment of relevant provisions composing "a separate paragraph" of the Revised Penal Code may serve these bills' intent.

"The Department of Justice (DOJ) proposal does not seek a special law, but only an amendment to the Revised Penal Code. It will be inserted in the paragraph on piracy, which is an international offense," he said.

Mr. Guingona said the new proposal under the Anti-Piracy and Anti-Highway Robbery Law of 1974 (Presidential Decree No. 532) will just punish criminal acts and not the intent of the perpetrator.

He specifically said the new version will not recognize ideology, political or social objectives as criteria for determining culpability for an act of terrorism, noting the Constitution allows the right to political dissent and "social agitation for social reforms."

Mr. Guingona noted a salient feature of the amendment is a definition of terrorism different from that proposed by lawmakers. [sentence as received] He said under the DOJ version, terrorism excludes ideology and political or social objectives.

"For example, a group that is protesting because of the Expanded Value-Added Tax is not subject (to the law). Farmers marching against rice importation are also not subject to it," he explained, stressing the definition specifies acts classified as terrorism, such as "hijacking and blowing up a plane."

Under the bill filed by Senator Juan Ponce Enrile, terrorism, among others, is "causing or threatening to cause the wanton destruction of or loss of lives, property, or personal liberties, or massive and unjustifiable destruction of the environment, or the creation of a state of public panic in order to advance his or her ideological, political, cultist and/or personal cause or purpose."

Mr. Guingona said current law already provides for citizen's arrest, whereby a citizen can arrest someone in the act of perpetrating a crime, or when the arresting citizen "has personal knowledge" of the person to be arrested had actually perpetrated a specific crime. And even then, the law requires the arresting citizen to arrest the perpetrator "within a reasonable timeframe."

The DOJ further thumbed down suggestions for the warrantless arrest of suspected terrorists.

Mr. Guingona said jurisprudence already allows citizens or police officers to arrest suspected criminals even without warrant "under certain circumstances."

The Rules of Court require personal knowledge of facts before enforcing a warrantless arrest.

Also, the DOJ recommended the amendment of Republic Act No. 4200 (Anti-Wiretapping Law) and RA 1405 (Bank Secrecy Law) to allow the installation of wiretaps and the scrutiny of bank accounts against suspected terrorists, as defined by the department.

Legal observers noted that if terrorism will be included in the Revised Penal Code, the government has to prove intent to commit a crime for a successful prosecution.

President Ramos himself recalled Mr. Enrile, one of the main authors of the measure together with Sen. Orlando Mercado and Paranaque Rep. Roilo Golez, "appeared to agree with the version proposed by Secretary Guingona ... because he did not raise any more objection."

Mr. Ramos then designated Mr. Guingona as the Executive branch's spokesman for this issue, since "he is more credible than some of us, being a former street parliamentarian himself."

But Malacanang's apparent preference for the new version may drive a wedge with the Senate, since a visibly piqued Mr. Enrile later said "the Executive has its own version of the bill ... I stand by what I prepared ... my version is my version and theirs (Executive) is theirs."

Mr. Enrile said he does not see a way for the government to insert a provision on terrorism in the Revised Penal Code as proposed by the Justice Department.

"They would have to define it very clearly and provide safeguards to make sure it would not be subjected to abuse. I wish them good luck," he said.

Significantly, he declined to withdraw his bill. "I will insist on my version and if it is voted down, at least I tried to protect the people's interest."

He also refused to sponsor the Malacanang-proposed measure to include a terrorism provision in the Revised Penal Code. "I have my own version; they should find somebody else to sponsor the bill."

Meanwhile, Senator Franklin Drilon said the proposal discourages the entry of foreign investments into the domestic market. "The bill would scare and shop away prospective investors, affecting the vision and objective of the government to become an industrialized nation by the year 2000."

Mr. Drilon cited the provision in the bill which allows authorities to look into the bank accounts of people on mere suspicion that they are terrorists. "This will surely turn off the businessmen." Under the controversial anti-terrorism bill, the government would have the right to scrutinize the bank accounts of suspected terrorists.

Oppositors of the measure said it would be easy to abuse such provision because a corrupt officials can always declare a person as a terrorist so they can look at the bank accounts of wealthy individuals.

"The enactment of the bill would only hinder economic reforms in the country. If the government is serious in becoming the next tiger of Asia, it should reject the proposal," Mr. Drilon said.

He added the power to inquire about the bank deposits of individuals would discourage depositors from entering transactions with banks and lead to private hoarding.

"This would cripple the banking industry and eventually the country's economy," he noted.

He also said businessmen with outstanding bank deposits would even end up withdrawing their money because of apprehensions their accounts will be subjected to scrutiny.

At the House of Representatives, consideration of pending bills on anti-terrorism and crime control was suspended in the wake of massive protests among its membership.

House Speaker Jose de Venecia said members would work first on less controversial measures related to law enforcement, including the modernization of the Philippine National Police (PNP), the anti- bank robbery act and the anti-private army bill.

Even as the twin measures were pushed to the backburner, Mr. de Venecia said House members agreed to eventually press for changes to existing laws "without alarming human rights advocates."

While not totally shelving out the proposals, Mr. de Venecia said the House committee on public order and security will still hear out the arguments on the bills and "stricken out or substantially moderate" its "Martial Law-like" provisions.

Mr. Golez, author of the House Bills Nos. 206 and 1105, said he "welcomes" the move since it will allow him to devote his time on campaign against jueteng [illegal gambling], illegal drugs and the expanded value-added tax law.

He noted that even without the crime control measure, the bill's provisions are being considered through various measures, such as the anti-gambling bill and anti-private army bill.

The anti-private army bill declares as illegal the formation of armed groups by individuals and imposes the maximum imprisonment term for those found guilty.

The anti-bank robbery measure pending at the House committee on public order seeks to require banks to hire their own security experts who will draft a security plan.

Philippines: Police Informer's Statements Considered Vague

BK2301040396 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 22 Jan 96

[FBIS Translated Text] Federico Billion, NBI [National Bureau of Investigation] special task force chief, has said that the statements of Edwin Angeles [former Abu Sayyaf officer-turned police informer] remain vague as evidence against Interior Secretary Rafael Alunan and PNP [Philippine National Police] Chief Recaredo Sarmiento. He added that Angeles's statements are inadequate for charges to be filed against the two officers. Earlier, Angeles accused Alunan and Sarmiento of planting evidence against the arrested Pakistani nationals linked to an international terrorist group.

Thailand

Thailand: Police Blamed for 'Hurried' Extradition of Thanong

BK2301054896 Bangkok THAILAND TIMES in English 23 Jan 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — Thanong Siriprichaphong's lawyer yesterday blamed police for allowing the "hurried" extradition of his client to the United States before the Supreme Court had finished hearing his appeal.

"The case is not finished yet, but the police rushed to take him to the United States," Prachum Thongmi said.

"I wonder why they did it sneakily. They offered the unreasonable claim that they proceeded that way because they feared riots," he said.

Prachum said he will fly to San Francisco next week to coordinate with American attorneys hired by Thanong.

Thanong submitted a petition to the Supreme Court two weeks ago against the ruling of the Appeals Court, which maintained that Thanong should be extradited to the United States within three months.

Thanong, a former MP of the Chat Thai Party (CTP), was extradited to stand trial in the United States on Thursday. The U.S. authorities requested the extradition after a northern California court charged Thanong with smuggling 45 tons of marijuana to the United States between 1973 and 1987.

He is the first Thai extradited to the United States under the U.S.-Thai treaty signed in 1929. The treaty states that the decision of the Appeals Court is final.

Thanong resigned from his MP post in 1994 when the indictment became widely known.

Another two CTP MP's, Narong Wongwan and Watthana Atsawahem, were also accused by the United States of involvement in drug trafficking. Some claim Narong lost his bid to become prime minister in 1992 due to his alleged drug involvement.

Both Narong and Watthana were denied visas to the United States. This affected the decision not to include them in the Cabinet lineup when the new government was formed in July of last year.

Deputy Interior Minister Somchai Montriwat said yesterday a pertinent house committee should investigate the accusation made against the MP's.

He said those responsible should help find the truth.

Somchai refused to comment on the developments of Thanong's case. Though he did say no one knows how Thanong's case will turn out in the United States.

Supreme Court President Praman Chansu said the Supreme Court has reached a verdict concerning Thanong's appeal, and the court will soon inform Thanong's lawyer of the decision.

Foreign Ministry spokesman Suraphong Chaiayanam said yesterday that the Thai Consulate in California would give Thanong necessary assistance if Thanong requests.

Suraphong said the consulate would look into whether Thanong's court procedures will be postponed or not.

Thai Article Views Burmese Khun Sa's 'Deals' With Rangoon

BK2601031396 Bangkok BANGKOK POST
in English 26 Jan 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Drug warlord Khun Sa has reached several major agreements he proposed with the Burmese Government after officially giving up his armed struggle against Rangoon early this month, according to a source in his Mong Tai Army [MTA].

The source said the deals Khun Sa sealed with Lt-Gen Khin Nyunt, secretary of the State Law and Order Restoration Council [SLORC], included a mutual promise for the Burmese Government and MTA not to interfere in each other's economic affairs.

That means the MTA will still have the sole right to levy tax on exports and imports and to make use of their own resources such as trading precious stones.

According to the source, SLORC has agreed to Khun Sa's proposal to have the right to sell logs along the Burmese-Thai border on the condition that the Burmese Government will select logging concessionaires in the warlord's area and share the profits out of the business.

Khun Sa's request for the government not to extradite him to stand trial on drug charges in the United States was also agreed to, the source said.

The Burmese Government has also agreed to contribute to Khun Sa's communities in terms of necessities and infrastructure development, according to the source.

The source said Khun Sa had already asked for food for people in his Ho Mong headquarters as well as its outskirts and SLORC had delivered more than 50,000 sacks of rice in response.

Despite the ceasefire, Khun Sa sought to maintain his troops and military bases in the Shan state which would be exempted from SLORC control but the issue had yet to be finalised, the source said.

An issue Khun Sa refused to discuss was SLORC's proposal to put all border passes with Thailand in his area under the government's control.

SLORC had also asked Khun Sa to relay the agreed issues to other dissident minority groups in the Shan state so they would stop fighting the Burmese government, the source said.

Thai Article on Situation of Burmese Khun Sa's Bases

BK2301054696 Bangkok THAILAND TIMES
in English 23 Jan 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Mae Hong Son — The former headquarters of drug kingpin Khun Sa's Mong Tai Army [MTA], Ho Mong, will be soon sealed off temporarily in order to separate Shan civilians from MTA troops, an MTA officer said yesterday.

The officer, who asked for anonymity, said about 5,000 Burmese troops have been deployed in several parts of the Shan state, particularly in Ho Mong, Pang Sua, Pang Mai Sung, Doi Lang, and Ban Na Mon, which is opposite Mae Hong Son province.

Burmese national flags have reportedly been hoisted in several areas along the Thai-Burmese border to suggest that the MTA's Ho Mong has officially become under the control of the Burmese Government .

Burmese authorities reportedly told the MTA leader Khun Sa that Ho Mong has become a district of the Shan state and the MTA its local militia.

Khun Sa's son, Chao Cham Hueng, is in Rangoon to meet senior leaders of the State Law and Order Restoration Council (SLORC), the ruling Burmese junta. His trip to Rangoon can take months as he is scheduled to discuss political and military affairs with SLORC leaders before returning to oversee Ho Mong.

Khun Sa officially surrendered to the Burmese junta on January 7 in a ceremony, handing over huge amount of ammunitions at Ho Mong after controlling a large area of the notorious Golden Triangle for more than 30 years.

Meanwhile, in Tak province, a Karen National Union (KNU) senior officer said the KNU's attack on its splinter rebel group Democratic Karen Buddhist Army (DKBA) on Saturday was carried out in response to the latter's recent excessive action, in which a paralyzed former senior KNU leader was brutally murdered.

"Actually we don't want to fight with the same people, but what the DKBA did to us was too much. Even a sick man was cruelly killed," the officer said, adding the KNU will continue fighting against the DKBA but not in Thai soil so as to avoid causing damages to the Thai people.

The KNU troops launched attacks on three DKBA bases opposite Tha Song Yang district and Mae La Yang village on Saturday, killing 15 DKBA men and injuring 30 others.

The four-hour battle was a fierce reprisal to its former allies after the splinter group, on January 12, stormed a Karen refugee camp inside Thailand, killing Maj-Gen [Major General] Hta Lue, the father of KNU Commander Col [Colonel] Bena.

Four KNU soldiers were reportedly killed and 10 others were injured in the Saturday attack.

The DKBA, broke away from the KNU in December 1994, after a dispute over leadership in the Christian-dominated KNU.

The KNU lost its headquarters, Manerplaw and Kawmura, early last year to the Burmese Government troops, who recognized the DKBA as its militia.

Since then, several KNU leaders have been taking shelter in Karen refugee camps inside Thailand.

The Thai army has reinforced its troops with two helicopter gun- ships and an L-19 jet fighter along the Thai-Burmese border particularly at Bae Kroa and Shoklo refugee camps in Tha Song Yang district after reports the DKBA will launch attacks on the camps, said Col Suwit Manmeun of the 4th Infantry Division's special units.

Thailand: DKBA Launches Attack on Border Village

BK2501072596 Bangkok THAILAND TIMES in English 25 Jan 96 p A2

[Unattributed Report]

[FBIS Transcribed Text] Tak — The Democratic Karen Buddhist Army (DKBA) challenged Thai sovereignty again by launching another attack against a Thai village injuring two people during the assault, a Thai officer said yesterday.

The officer, who requested anonymity, said five DKBA soldiers entered Tha Song Yang's Ban Huai Phu Kaeng and struck a Thai Karen villager with the butt of a gun, after being told there was nothing for them in the village. The man's daughter was also hurt when she tried to help her father.

The group reportedly withdrew empty-handed from Thai territory on the same day. Phanlop Sipha, Tha Song Yang district-chief officer, and officers of the 4th infantry division special police unit were at the scene in the morning to check on casualties.

The motive for the attack, which started early morning yesterday, was thought to be scarcity of food and general hardship resulting from strict measures introduced by Thailand early this year, to prevent Burmese Karen refugees from seeking shelter along the border. These included tightening-up procedures at immigration centers to prevent them from crossing the border, said the officer.

The measures affected Burmese Karen villagers who were accustomed to crossing the border to gather wild crops, do some farming, and engage in cross-border trading.

In particular, about 1,000 villagers hired to work on logging operations along the border faced inevitable serious difficulties, leading to repeated robberies against Thai and Burmese Karen living on Thai soil.

Ban Huai Phu Kaeng is opposite the DKBA's Tikerni base, which is eight kilometers from Mae La and Bae Kroa camps, the site of repeated attacks by the DKBA.

The incidence of looting in the area of Tha Song Yang district is expected to increase.

In a related development, a Karen National Union (KNU) officer said it is unlikely the KNU and the DKBA would integrate. The officer said DKBA leader U Thuzana, the abbot of Myin Kyan Kon monastery in Karen State, had issued a letter to KNU president Gen Bo Mya, asking him to come to the monastery and become a Buddhist, which is impossible.

"DKBA's name identifies it as a Buddhist organization, while the KNU comprises both Muslims and Christians. How can we integrate under that name?" the source said.

The officer said the Burmese Government supported the DKBA because it had assisted Burmese troops in attacking KNU strongholds. DKBA would not sign a ceasefire agreement since it was not considered an enemy of the Burmese junta.

Thailand: Article Condems Burma's SLORC 'Brand of Peacemaking'

BK1501015296 Bangkok THE NATION in English 14 Jan 96 p A4

[Article by Chao-Tzang Yawnghwe: "Enslavement, Poverty and Betrayal in Burma"]

[FBIS Transcribed Text] On the face of things, it would seem that the State Law and Order Restoration Council [Slorc] has terminated the 30 to 40 years of armed conflict in Burma.

In a sense, it has at least stopped the shooting. However, the cessation of fighting has not brought peace to the people of Burma, in particular, the Kachin, Shan, Karen, Wa, Lahu, Kokang (etc) populace. They are still under the guns of Slorc's predatory soldiers and spies, and as well under the guns of former resistance armies, now allied with Slorc.

The ceasefires and other arrangements (the "surrender", for example, of Khun Sa) made by Slorc with former foes is actually, firstly, a strategy for survival in the face of smouldering, mass opposition to it from the Bama populace.

And secondly, these arrangements represent the formation of a new alignment of power and alliance among warlords, based on the "ownership" of the "means of coercion." The situation in Slorc's Burma can be roughly compared, though on a smaller scale, to China in the 1920s and 1930s.

From the standpoint of the non-Bama, who have supported the leaders of their resistance armies, and in consequence sacrificed much and suffered tremendously for it, the alliance of their resistance leaders with Slorc is, simply put, a shameless betrayal. Though it may seem from the outside that the ceasefire or "surrender" arrangement is a "peace settlement" between Slorc and the non-Bama segments, the substance of it is very different, however.

In substance, those that have gained from the alliance (and ceasefires) with Slorc are top non-Bama (Wa, Kachin, Kokang, Shan etc) war leaders and their old and new economic patrons (former black-marketeers, big heroin players and outside entrepreneurs).

The non-Bama are now not only unprotected, as ever, from the predatory whims of undisciplined, poorly-paid Bama soldiers, but face further danger from unpaid or neglected soldiers of the non- Bama warlords. In short, Slorc's brand of peacemaking — peace among predatory warlords — is a kind that promotes greater disorder, banditry and anarchy, rather than the rule of law and civil order.

Both the Bama and the non-Bama now share a common bitter experience — their betrayal by "owners of the means of coercion" who were supposed (in principle) to protect them. The lesson which they can learn from their experience of betrayal and their current dark plight is that ethno-nationalism whether Bama or non Bama (or for that matter German, Japanese, Serbian, Hutu ethno-nationalism etc), is often a tool of enslavement.

Nationalism (or ethno-nationalism) is a potent drug that dulls the sense of outrage at the violation of one's rights and freedom, and seduces one to tolerate (or applaud) outrages perpetrated upon the ethnically-different "other."

In the above regard, it must be noted that in countries or societies where much emphasis is placed on ethno-nationalism (or cultural patriotism), "nationalism" is often hijacked by those who "own" the "means of coercion." A significant outcome, as human history and current events show, is dictatorship and despotism, impoverishment, internal war, ethnic cleansing, cultural genocide (or plain genocide), external aggression (and interstate, or even global, wars).

Looking at Burma's history, the Bama — because of their pride in Bama nationalism — at one time took great pride and placed much trust in their Bama Tatmadaw. The Tatmadaw (or the chief, Ne Win) in turn played upon Bama pride and fears to unleash a rule of terror on the non-Bama populace, on the pretext that the Bama nation was in danger of being destroyed by Karen, Mon, Rakhine, Shan, Kachin secessionists. The ultimate result has been the impoverishment and enslavement of the Bama and the killing of Bama protesters (almost annually since 1962), culminating in the nationwide massacres of 1988.

On the other side of the coin, in the face of the Bama Tatmadaw's rule of terror, the non-Bama supported, at great cost in lives and with meagre resources, the resistance armies and war leaders who emerged to defend them and their national/cultural integrity, etc.

In fact, in the 30 to 40 years of war, it was the people who protected the resistance armies (rather than the other way round), and suffered horrendously for it at the hands of the Bama Tatmadaw. The end result has been, as recently seen, the betrayal of the non- Bama populace by their war leaders.

In the light of Burma's sad history stemming from the ethno- nationalism (or cultural patriotism) of both the Bama and non-Bama, the foremost task of the people of

Burma is henceforth to turn their backs on the seductive poison of ethno-nationalism, an opiate which has dulled their common humanity and led them to put their trust in the "owner of the means of coercion".

Considering the terrible consequence of both Bama and non-Bama ethno-nationalism, it would seem that the people of Burma must from now on work together to build a new kind of nationhood and national unity, one based on an ethnic neutral formula, namely, a solidarity based on fraternity, liberty and equality — in short, a national identity and political culture based on democracy and people's power.

Until and unless the Burmese are able to firmly cast aside ethnic-oriented nationalism (or cultural patriotism), they risk the danger, time and again, of being seduced and betrayed by those who are dependent on ethno-nationalism to maintain power and justify their very existence — the "owners of the means of coercion."

Thailand: Three Issues for Asia-Europe Summit Specified

BK2401050996 Bangkok BANGKOK POST in English 24 Jan 96 p 17

[Report by Chatrudi Thepharat]

[FBIS Transcribed Text] Thailand has identified three issues that it wants to pursue at next month's Asian economic ministers' meeting which will in turn lay the groundwork for the Asia-Europe summit in March.

First Asian countries should work to strengthen multilateralism focusing on the World Trade Organisation [WTO], and to promote regionalism but in a non-discriminatory way. Second, Asia and Europe should enhance economic exchanges in terms of trade, investment and technology transfers.

Lastly, Thailand will promote the idea of an Asia-Europe business council, offering to host a meeting to discuss its establishment.

The issues were identified at a meeting of the International Economic Policy Committee on Monday, chaired by Deputy Prime Minister Amnuai Wirawan.

The Asian economic ministers will meet on February 14-15 in Chiang Rai. The first Asia-Europe summit, involving 10 Asian countries and 15 European nations, will be held on March 1-2 at the Queen Sirikit National Convention Centre in Bangkok.

Dr. Amnuai said the committee also acknowledged four issues raised at the Asia-Europe senior officials' meeting last December in Madrid.

These included the promotion of political dialogue between Asia and Europe, reinforcement of economic cooperation, promotion of cooperation in various fields and the future course of the senior officials' meetings.

In another development, the committee agreed with an action plan for Thailand at the WTO ministerial conference, scheduled for December 9-13 in Singapore.

Developed countries are preparing to raise social issues such as labour rights and labour standards at the meeting, said a committee source.

The source said developed countries want to discuss competition policy, corruption, foreign direct investment and regionalism.

Dr. Amnuai said an agreement among WTO members to cooperate in eliminating corruption would be a big step forward.

He said that ASEAN countries hope to agree on a united position in order to strengthen the regional voice at the WTO meeting.

Thailand plans a seminar for public and private-sector representatives to discuss ways to respond to developed countries' concerns about labour standards, the committee source said.

Thailand: Trust Fund for Boosting Foreign Investment Approved

BK2401034796 Bangkok BANGKOK POST in English 24 Jan 96 p 26

[Unattributed report]

[FBIS Transcribed Text] The Cabinet yesterday approved in principle a Finance Ministry proposal to set up the Thai Trust Fund as a vehicle to mobilise more foreign investment in the local stock market.

The fund, which will be an open-ended fund with passive management, is aimed at helping foreign investors to play the local stock market without limit.

Foreign investment is currently limited both by law and by each listed company's regulations, with most allowing foreigners to hold no more than 49% of a company's shares.

Some foreigners have got around the regulations by using nominees to hold shares for them.

In many cases, foreigners have high enough holdings to take control of certain companies, often without local major shareholders being aware of the foreigners' true holdings.

To encourage more foreign investment while at the same time preventing Thai firms from being taken over by foreigners, the Finance Ministry has come up with the plan to set up the Thai Trust Fund under the Securities and Exchange Act.

Because the funds will be passive management, the management firms will not be responsible for the performance of the funds. They will be responsible only for issuing unit trust certificates.

Each fund must invest in only a single stock and its unit trust will be listed on the Stock Exchange of Thailand [SET]. However, the transaction price will not be quoted since it will depend on the price of the stock in which the fund has invested.

Under the plan, the SET will set up a company to act as the management firm for the Thai Trust Fund. The SET will hold at least 99% of the shares in the company which will have an initial registered capital of at least 100 million baht.

The Securities and Exchange Commission [SEC] has said that the Thai Trust Fund could be established by mid-year at the earliest. However, the SEC's Ratchani Samuttranon stressed yesterday that the establishment of the proposed fund needs time.

Meanwhile, Prinya Chanantaranon, a director of MDX Plc, said that as a listed firm, his firm wants authorities to give him a firm date for the implementation of the Thai Trust Fund.

Foreign investors have sought clarification from him on the matter because they want to know definitively when the new fund will be established, he explained.

Mr. Prinya said the Thai Trust Fund might result in less foreign premiums for foreign investors trading Thai securities because foreign investors would then be likely to sell their holdings in Thai securities on the Stock Exchange of Thailand's alien board and switch to buying Thai securities through the Thai Trust Fund.

As well, foreign investors are likely to sell their holdings in Thai securities through nominees and shift investment to the Thai Trust Fund so they can be legally protected.

Thailand: BoT To Permit Cross Investment

BK2301051796 Bangkok THE NATION in English 23 Jan 96 p B10

[Report by Charuwan Loetwinyu, Thirasak Saengsongmuang]

[FBIS Transcribed Text] The central bank will allow financial institutions who apply for new banking licences this year to cross invest amongst each other up to 30 per cent if they can show their bank is financially strong, Governor Wichit Suphinit confirmed yesterday.

Under the new banking regulation, a core group, which consists of up to five parties, is allowed to hold 25 per cent stake in a new bank, or 5 per cent each.

However, each will now be allowed to hold up to 30 per cent after a new bank is opened and shows that it performs well. But the group must together hold up to 25 per cent.

"We will give approval as long as they prove to us that they are capable of managing a bank financially and professionally," Wichit said.

Meanwhile, a high-ranking official at the Bank of Thailand [BoT] said permission to allow a core group of a new bank to cross invest in another financial institution up to as much as 30 per cent is not an incentive to new banks.

Thirachai Phuwanatnaranup, director of financial institutions supervision and development department, said under the current crossholding structure regulations, existing banks are also allowed to hold up to 30 per cent but must limit the maximum stake in two finance companies only. Conversely, a finance company is allowed to hold up to 30 per cent stake in one bank.

However, the central bank will allow a finance company to hold a 30 per cent stake in a bank only when the company proves it is financially sound, has good management and has a proper reason to own such a stake, Thirachai said.

As a result, Finance One, which announced its 20 per cent acquisition of Thai Thanu Bank [TTB], must reduce its stake in Bank of Asia [BoA].

Finance One together with its business allies hold a combined 25 per cent stake in BoA.

Thirachai said the central bank is asking for more information before approving the TTB-Finance One deal. He insisted that any announcement, press conference or filing to the Stock Exchange of Thailand which the two have done so far is still subject to the Bank of Thailand's approval.

But while Thirachai and Charung Nukwan said the central bank has not approved Finance One's acquisition of TTB yet, Governor Wichit said the Bank of Thailand had submitted Finance One's proposal to hold 20 per cent in TTB to the Finance Ministry.

"Finance One's stake in BoA is another story," he was quoted as saying over the weekend.

On the application to open new local banks, Wichit said so far, none has applied for the new banking licences although the deadline for submitting the application is Jan 31, 1996. He insisted that the rules concerning the establishment of a new bank will not be changed.

Thailand is liberalizing its banking industry.

The government is ready to give licences to five new local banks as well as another five to seven licences to new foreign banks this year.

Wichit said reports that some financial institutions have submitted applications are not true.

He said it could be a ploy to drive up the share prices of such institutions.

A source close to the secretary of the Finance Minister said two weeks ago that if no one applies for the new banking licences by the Jan 31 deadline, the government will soften the rules.

"We want to set up new banks," the source, who asked to remain anonymous, said.

The government's approach of softening the new banking rules in an attempt to attract new players is different to what was done by former Finance Minister Tharin Nimmanhemin.

Tharin preferred to toughen the rules to make sure that those who apply for the licences are strong enough to manage a new bank.

Thailand: Minister Says Financial Sector Looks Abroad

BK2401074496 Bangkok BANGKOK POST in English 24 Jan 96 p 16

[Unattributed report]

[FBIS Transcribed Text] Development of the Thai financial sector will increasingly stress regional and international involvement, according to Finance Minister Surakiat Sathianthai.

"Financial liberalisation is progressing rapidly together with the ongoing efforts to promote Bangkok as a regional centre," Dr. Surakiat said.

"Thailand's long-term development strategy is to play a constructive role in the economic revitalisation of the countries in Indochina."

He made his comments in a speech to European business executives in London yesterday.

One government programme aimed at achieving this is the planned Thailand Development Assistance Fund, providing "concessional financing for infrastructure development in our neighbouring countries", including those in Indochina, and South China and Burma.

By encouraging investment in its neighbours, Thailand strengthens its own position as a regional "springboard" for foreign investors entering the market.

Dr. Surakiat also said another initiative was to encourage the expansion of Thai financial institutions overseas.

"With market reforms in many of our neighbouring countries, thereby opening up regional investment opportunities, our investment strategy should be outward-looking to encourage our private sector to capitalise on these new opportunities," he said.

"Contrary to the adage that 'finance follows trade', I am encouraging finance to spearhead trade, hence the rapid branching out of Thai banks into our neighbouring countries."

A third plan for the country is to increase Thailand's presence and participation in economic forums, such as the World Trade Organisation and ASEAN, to better reflect the growing strength of the economy.

Dr. Surakiat pointed to three primary factors responsible for Thailand's economic growth of 10% annually since 1988.

First, a macro-economic policy and investment environment favourable toward business development.

"The government, for its part, has played a role of maintaining policy continuity and consistency, avoiding direct involvement and intervention, and providing adequate infrastructure."

Private-sector involvement in basic industries such as electricity generation, transport, telecommunication and education has also been encouraged by government liberalisation and privatisation programmes.

Second, a balanced economic structure. Dr. Surakiat noted that despite the fact that non-agricultural sectors are responsible for generating up to 90% of the national income, "Thailand remains one of the world's top five exporters of agricultural products including rice, tapioca and rubber."

Third, a clear focus on international trade.

"International trade, now accounting for nearly 80% of GDP, is projected to rise to near 100% by the end of the decade," Dr. Surakiat said.

Vietnam

SRV Party Secretary Receives PRC Journalists

*BK1901014096 Hanoi VNA in English
1542 GMT 18 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.18 — Dao Duy Tung, Politburo member and secretary of the Communist Party of Vietnam Central Committee, received here yesterday a delegation of veteran journalists from China's Xinhua News Agency led by former Deputy Editor-in-Chief Zhang Jie.

The party secretary welcomed Xinhua veteran journalists who, during their office in Vietnam in the past struggles against the French colonialists and US imperialists, contributed to promoting the Sino-Vietnamese friendship.

He also expressed satisfaction at the constant enhancement of cooperation beween the news agencies of the two countries, thus actively contributing to promoting the solidarity, friendship, and multi-faceted cooperation between the parties, states and peoples of Vietnam and China.

Do Phuong, member of the CPV Central Committee and director general of Vietnam News Agency, was present at the reception.

The Xinhua veteran journalists began their Vietnam visit on Jan. 15 at the invitation of Vietnam News Agency.

SRV 'Friendly' Policy in Cambodia Border Dispute Affirmed

BK1901130296 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 19 Nov 96

[FBIS Translated Text] Regarding some recent statements on the Cambodia-Vietnam border situation made by the Cambodia on 19 January, our Foreign Ministry spokesperson was authorized to clarify Vietnam's unchanged policy. This policy is respect for the independence, sovereignty, and national integrity of all nations and the building of a border of long-term peace and friendship with all neighboring countries, including Cambodia.

On the basis of this spirit, Vietnamese leaders had agreed with Cambodian leaders that all border and territorial issues need to be solved through peaceful negotiations. To implement this agreement, the two sides had decided to form a structure where local authorities will discuss and solve all issues. If necessary, these issues can be referred to the working team on border issues of the two countries for examination. Regrettably, in the past, this structure has not been fully used.

Once again, Vietnam affirms the above policy of principle and hopes that the structure agreed at that high level meeting will be used to solve all problems, if any, in the interest of peace, stability, and friendly cooperation, which have been developing satisfactorily between Vietnam and the Kingdom of Cambodia.

SRV, France Sign Tourism Cooperation Agreement

*BK1901014296 Hanoi VNA in English
1534 GMT 18 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.18 — An agreement on tourist cooperation between Vietnam and France was signed in Paris yesterday.

Signatories were General Director of the Vietnam Tourism Administration Do Quang Trung and French Equipment, Housing, Transport and Tourism Minister Bernard Pons.

The agreement serves as an official establishment of relations between the two governments in the field and aims at facilitating cooperative activities in tourism, encouraging exchange of visits, promoting shares of experience and personnel training, and encouraging French economists to invest in Vietnam.

Prior to the signing ceremony, Mr. Trung had a cordial talk with Mr. Pons who was informed of the rapid development of Vietnam's tourism industry as well as possibilities for further cooperation in the field. The French minister expressed his wish for the further development of tourist cooperation between France and Vietnam.

SRV's Vo Van Kiet Interviewed by Israeli Radio

*TA2301121796 Jerusalem Qol Yisra'el in Hebrew
1105 GMT 23 Jan 96*

[FBIS Translated Excerpt] Finance Minister Avraham Shohat is touring Southeast Asia, and reports indicate he is doing very well. In an exceptional goodwill gesture he was received for a meeting by the chairman of the Vietnamese Council of Ministers. After the meeting, which dealt with bilateral relations, the Vietnamese official granted an interview to our correspondent Menahem Friedman:

[Begin Friedman recording] Vo Van Kiet, chairman of the Vietnamese Council of Ministers, does not as a rule receive ministers in his office. He only meets officials who bear a similar rank to his. His agreement to meet Avraham Shohat was received with great excitement by the Israeli Embassy here; his agreement to be interviewed by Qol Yisra'el was received with total disbelief. Vo Van Kiet does not grant interviews to the media, and this move was completely exceptional in nature. I asked him when Vietnam will open an embassy in Israel. [passage omitted with Vo Van Kiet's remarks in Vietnamese]

Vo Van Kiet replied that the two countries should develop their bilateral relations, in which case the opening of an embassy will follow naturally. I asked him whether this is connected to the peace process. [passage omitted with Vo Van Kiet's remarks in Vietnamese]

Stability in your region certainly contributes to the bilateral relations between our two countries, Vo Van Kiet said. We attribute great importance to this.

The Israelis followed closely Vietnam's fight for freedom and are very familiar with it. Do you have any message for the Israelis? [passage omitted with Vo Van Kiet's remarks in Vietnamese]

We admire the Israelis for their courage and wisdom. We believe you will attain great progress in developing your country, because this is the right time for doing this. We also have great confidence in the ability of the two countries to continue developing their relations.

Vo Van Kiet will accept Avraham Shohat's invitation to visit Israel at the appropriate time. With great excitement he thanked Shohat for a $10,000 donation for helping the flood victims in Vietnam. [end recording]

SRV Foreign Deputy Minister on Asia-EU Summit

BK1901130396 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 30 Dec 95 p 2

[Interview with SRV Deputy Foreign Minister Vu Khoan by Tran Hoang Ha in Hanoi on 27 December]

[FBIS Translated Text] [Vu Khoan] The initiative for the organization of a high-level conference for government heads of Asian and European countries was raised by Asia in October 1994. The EU countries quickly responded to the initiative. It can be said that there has never been a conference of this size held only just over one year after the idea was brought up.

[Tran Hoang Ha] How did Asia's initiative get such quick support from the EU?

[Vu Khoan] Formerly the EU focused its attention in East Europe — its neighboring region — and Africa, which were traditional trading partners. These regions are now experiencing problems. Asia has been growing with rapid and dynamic development. The EU recognizes that it could be too late if it does not boost its relations with Asia now, therefore it has to give priority to its relations with Asia.

[Tran Hoang Ha] Over the past several years, have not some EU countries worked out a "Looking Towards Asia" strategy?

[Vu Khoan] They did have such a strategy but it did not implement it until now, when they have been given an opportunity.

[Tran Hoang Ha] Formerly Asia — mainly ASEAN — only had ties within the region and with countries just on the other side of the Pacific. With this new initiative, is Asia looking to balance its relations?

[Vu Khoan] That is correct. Asia, particular ASEAN, is trying to diversify its international relations.

[Tran Hoang Ha] Deputy minister, what is the significance of the first Asia-Europe Summit?

[Vu Khoan] These are two large centers of the world economy, and the two have not yet had wide-scale relations. In the Asia-Pacific region there is APEC [Asia Pacific Economic Cooperation], between the U.S. and the EU there is the "Trans-Atlantic New Agenda"; now we are going to have the Asia-Europe Summit, which bears special importance. The Asia-Europe Summit demonstrates the ever increasing status of Asia in the world arena. In history, Europe was represented by colonial countries who came to dominate Asia. Times have changed, and Asian countries have become independent and are developing rapidly. Now Asia and Europe both sit down and discuss equal cooperation.

[Tran Hoang Ha] Do Asia and Europe have different purposes for the summit?

[Vu Khoan] The two sides have much in common. Asia highly values its cooperation with Europe, which has the same feeling. Both sides have great economic potential: Asia has a market of nearly 2 billion people, while Europe has capital, technology, experience, and also an attractive market. Both sides wish to have stability in cooperation. Europe pays more attention to social and environmental issues, while Asia focuses on investment. In short, we have more in common than we have differences.

[Tran Hoang Ha] What are the main contents of the summit?

[Vu Khoan] The recently-concluded conference of 25 deputy foreign ministers in Madrid is an important step in the preparation of the Asia-Europe Summit. The conference agreed that:

1. The Asia-Europe Summit will be held in Bangkok on 1-2 March 1996.

2. Participants are made up of heads from 25 governments: seven ASEAN countries, China, Japan, South

Korea, and 15 EU countries together with the chairman of the EU Commission.

3. The leaders will discuss the evaluation of world and regional political and economic situations, and draw-up plans for cooperation between the two continents on politics, the economy, trade, investment, technology transfer, human resources training, protection of the environment, and culture.

[Tran Hoang Ha] Will the participants sign cooperation documents?

[Vu Khoan] The conference will not result in any agreements or documents as it only marks the beginning of a historic relationship. At the conclusion of the conference, the chairman of the conference, the Thai prime minister, will release a brief summary. That will be considered the declaration of the conference chairman.

[Tran Hoang Ha] So the purpose of the Asia-Europe Summit in Bangkok is to study one another's policies?

[Vu Khoan] The summit is politically significant, and signals the expansion of cooperation between the two continents. What happens afterwards depends on the results of the Bangkok conference.

[Tran Hoang Ha] Will the Asia-Europe Summit become a regular conference between the two continents?

[Vu Khoan] The issue will be decided by the leaders of the government. The general trend is the preference for a continual structure for the future, such as regular meetings to create conditions for high-level leaders to work out the direction for development of cooperation between the two continents. The Bangkok summit is the first Asia-Europe Summit, and will not be the last.

[Tran Hoang Ha] In the future will the conference establish a mechanism for cooperation between the two continents?

[Vu Khoan] Currently there has not been any effort to set up a mechanism for the conduct of Asia-Europe conferences, such as an organization, or a secretariat. The two continents are still far apart in terms of geography, conditions, and levels of development. The meeting is a very good chance to discuss a cooperation program.

[Tran Hoang Ha] Deputy minister, what is the role of ASEAN in the organization of the summit?

[Vu Khoan] ASEAN has the major role. ASEAN is the organizer and is preparing the agenda, program, and protocol for the summit.

[Tran Hoang Ha] What is the significance of Vietnam's participation in Asia-Europe Summit in Bangkok in its capacity as an ASEAN member?

[Vu Khoan] Our participation bears multiple significance. First, in terms of our position in the world arena, after so many year of suffering from embargoes and isolation, we are now able to participate in an international forum on an equal platform with all other countries. Second, participation in the conference is a good sign bringing more attention to Vietnam from foreign businessmen. Third, through the meetings, we will have a chance to understand the policies of other countries so that we can adjust our cooperation; and last, our contribution to the general cooperation trend of the world.

[Tran Hoang Ha] Thank you, deputy minister.

SRV Trade Minister Interviewed on ASEAN Summit

BK1901125596 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 14 Dec 95 pp 1,5

[Interview with SRV Trade Minister Le Van Triet by correspondent Hong Son on 12 December in Bangkok]

[FBIS Translated Text] [Hong Son] Mr. Minister, were there any issues brought up for debate among ASEAN member countries during the recent ministerial-level economic meeting?

[Le Van Triet] During the meeting some countries proposed changes in the lists of commodities, such as moving certain commodities' items from one list to another. The ASEAN economic ministers, proceeding from their understanding of the characteristics and situations of each country, agreed to task experts with finding a rational approach to ensure the general principles of AFTA (ASEAN Free Trade Area) remain, while keeping in mind the specific conditions and situations of each country.

[Hong Son] What about the timetable for tariff reductions announced by Vietnam? How did other ASEAN member countries react to this?

[Le Van Triet] Vietnam announced four lists of commodities with tariff cuts under the CEPT (Common Effective Preferential Tariff) scheme, including a list of tariff-reduced commodities with 857 items for 1996; a temporary exclusion list of commodities; a list of sensitive commodities or those commodities whose domestic production needs protection; and a list of complete exclusion commodities.

Other ASEAN member countries highly praised and appreciated Vietnam for its efforts to fulfill its obligations.

[Hong Son] Will the tariff cuts for the new list of items have any affect on our production and budget revenue?

[Le Van Triet] The tariff cuts for the 857 items for the ASEAN countries announced by Vietnam will not have any major effect on budget revenue and production. As there is now a struggle for survival in the world, we must join the flow of the world economy if we are to understand it and to keep our boat on the right course. What is important is that we must protect our national interests while joining that flow.

[Hong Son] Were economic cooperation requirements for each ASEAN member country, in particular Vietnam, discussed?

[Le Van Triet] Economic cooperation among ASEAN members was discussed in detail in order to further strengthen cooperation among member countries in fulfilling the objectives set by ASEAN. Specifically, ASEAN economic ministers agreed to present for signing at the 5th ASEAN summit a number of economic cooperation agreements, such as a framework agreement on cooperation services, a framework agreement on cooperation in intellectual properties, and a revision of an agreement on energy cooperation.

The economic ministerial conference also initially endorsed a program for an early signing of an industrial cooperation agreement (AICO) and passed on a plan of action on cooperation in the area of investment. Vietnam will sign and participate in the aforementioned program and plan.

[Hong Son] Will we benefit from the tariff cuts among ASEAN countries in the immediate future?

[Le Van Triet] A principal benefit is that we can expand our market. The tariff cut is carried out on a reciprocal basis. For instance, if you reduce a tariff for me, I will do the same for you, returning the favor. We will reduce tariffs on 857 items for them and they will reciprocate with a corresponding number of items. In practice, there are items of which they cannot cut the tariff, but this does not have a great effect on us as we can infiltrate their market with valuable goods entitled to tariff cuts. We will not lose as the 10 Southeast Asian countries have a total population of over 400 million. By joining ASEAN, we will benefit from ASEAN's multilateral voice on the market when it comes to negotiating with other regions as well as with various international organizations.

[Hong Son] How was the issue of grain treated under the tariff cut timetable?

[Le Van Triet] The grain issue is a very sensitive topic as we are now in a population boom. The population is growing faster than the pace at which food grain is produced. The grain issue for Vietnam in 1995 was also very sensitive. Early in the year, the government advocated allocating a quota for major trade enterprises first. If we continue with that rigid stand, we will be unable to regulate the grain supply for the country. The world demand for rice is great while the number of rice-exporting countries are few. As grain prices rose earlier this year, we would fail if we continued to handle the grain issue as we did.

As advised by the government, we must plan for rice export on a monthly basis. This is to ensure a steady local supply of grain and prevent a sudden rise in prices. For Vietnam, grain is classified as a 'sensitive good' to be handled with care by the government. Other member countries are required to complete the integration of sensitive goods onto the list of goods with gradual tariff reductions by the year 2003, while Vietnam has until 2006 to complete this. This is a calculated timetable. A recent report shows that the ratings of rice exporters have changed. Thailand now ranks first, followed by India, the United States, and Vietnam. Although Vietnam exported over 2 million tonnes of rice in 1995, India outdid Vietnam thanks to its large rice reserves and surplus. Vietnam is now concerned about food grains as rice is a staple food used by the people. Without a strong agricultural policy, we would not be able to obtain enough rice for export. We do not worry about a lack of a rice market, but we do worry about having not enough rice for export.

[Hong Son] Minister, do you think that we have been made fully aware of the operating mechanism of AFTA [Asia Free Trade Area]?

[Le Van Triet] ASEAN came into being 28 years ago. It has a long-established trade law. It is expected that in the future, our National Assembly will pass a trade law in order to create favorable conditions for better economic management and foreign economic relations.

[Hong Son] What was discussed in the recent meeting between ASEAN economic ministers and European Union representatives?

[Le Van Triet] The meeting examined the five strategic issues of cooperation between the EU (European Union) and Asia, and discussed the Asia-Europe Summit scheduled for March 1996. It also reviewed the implementation of Uruguay commitments under the framework of the World Trade Organization (WTO), discussed cooperation between EU and ASEAN in providing assistance to third-party countries in the region, particularly Laos, Cambodia, and Myanmar [Burma]; and examined and appraised the results of the APEC [Asia-Pacific Economic Council] conference held in Osaka (Japan) in November 1995.

[Hong Son] Could you give us your general assessment of our economic delegation at the ASEAN economic ministerial meeting?

[Le Van Triet] While participating in various preparatory works for the Fifth ASEAN Summit — including a senior economic officers meeting (SEOM), an AFTA Council meeting, an ASEAN economic ministerial (AEM) meeting, and a joint foreign and economic ministerial (JMM) Meeting, with the JMM meeting held on the afternoon of 12 December — the Vietnamese delegation contributed its views to the preparation of various ASEAN programs, plans, and cooperation agreements.

Vietnam promptly presented to the ASEAN member countries its four lists of commodities as part of obligatory requirements for joining AFTA's tariff reduction program. This reflects Vietnam's efforts to cooperate with other member countries although it has been only four months since Vietnam's participation in the CEPT [Common Effective Preferential Tariff] scheme.

This is only the initial step. Numerous difficulties still lay ahead. This requires us to exert greater efforts to increase our production capabilities and the quality of our goods if we are to boost our competitiveness in the regional and international markets.

SRV Political Bureau Issues Resolution on Trade 'Renovation'

BK1901142096 Hanoi VNA in English 1245 GMT 19 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 19 — The Political Bureau of the Communist Party of Vietnam Central Committee has issued resolution on the continuation of the renovation of the organisation and operation of trade, and market development along the socialist direction.

On the situation and operations of the trade sector in the recent years of national renovation, the Party Political Bureau noted the initial but important achievements in goods circulation and services, leading to profound changes in domestic market and the gaining of a new position in the overseas markets.

The resolution further says that the country's trading service has been transferred from a centralized bureaucratic system to a market mechanism, and pricing has been determined by value and the supply and demand relationship... With the engagement of various economic sectors, potential capital and technology have been mobilised to speed up the circulation of goods, making the market develop quickly and the volume of social product transactions increase markedly. Moreover, Vietnamese goods outlets abroad have been broadened in line with the diversification and multilateralisation of external economic relations. Various kinds of services to serve the circulation of goods have developed thus boosting business and production, improving people's life and providing more jobs for working people.

The resolution also points out mistakes, shortcomings and problems to be solved. It notes that is there small-sized, scattered trade there is still no long-term alliance between manufacturers and traders and among traders themselves for the formation of a steady supply-consumption market, especially in the sales of agricultural materials and purchase of food and other farm produce, breaches of laws prevalence of smuggling, trading fake goods, and running business without licence. The resolution also notes that the present trade fails to provide proper support to develop production and boost foreign trade activities. These shortcomings and mistakes, the resolution says, have limited the rapid and sustainable development of the national economy, badly affected the relationship between peasants and workers, rural-urban relations, and social progress and equality.

The resolution makes a deep analysis of the objective and subjective causes to the situation and set targets to be achieved for the continuation of renovation of trade. The targets include expansion of markets for more goods exchanges in all areas and development of exports to meet the demands of national industrialisation and modernisation.

The resolution stresses:

'It requested to bring into full play and better use the potentials and positive aspects of all economic sectors in goods circulation as well as to firmly build state-run trade and trading cooperatives with a view to maintaining the leading role of the state in important fields of operations and areas. It is also a must to link expansion of overseas markets with the stable development of the domestic market.'

To make the targets feasible, the resolution puts forth nine measures including the completion of a legal system, and management policies and tools, completion of the organisational mechanism in state-run trade development of the cooperative economic sector in commercial and service activities building the state management mechanism in the trade sector and fighting against smuggling and other illegal business activities.

SRV: CPV Membership Increased by 190,000 Since 1992

BK1301080796 Hanoi VNA in English
1449 GMT 12 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan.12 — The Communist Party of Vietnam admitted 189,692 more people in three years since June 1992 when the party Central Committee's third resolution on party renovation and streamlining was adopted.

Of the newly-admitted party members who account for 9.1 percent of the party membership, 20.09 percent are women, 12.12 percent, ethnic minority people, 56.22 percent, members of the Ho Chi Minh Communist Youth Union, and 16.83 percent, college, university or post-university graduates.

The number of newly-admitted party members saw constant increases in the past three years: rises of 32.8 percent in 1993 over 1992 and 17.6 percent in 1994 over 1993. In the first six months of 1995 alone, the number of new party members increased by 16.7 percent more than the 1992's figure.

SRV Party Ideology, Culture Department on Propaganda Work

BK0801163696 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 7 Jan 96

[FBIS Translated Text] The Party Central Committee Ideology and Culture Department [PCCICD] recently announced its plan to guide the propaganda work for the Eighth National Party Congress. The PCCICD asserted that this propaganda work must be consistently and widely carried out in the party and among the masses. This is the key task of ideological work in 1996.

The propaganda work for the Eighth National Party Congress is aimed at developing the spirit of independence, self-reliance, intelligence, and creativity of the entire party and people in their efforts to contribute to the success of the congress. It also helps to strengthen unanimity in the political thinking of our society, to enhance the people's confidence in the party leadership, to motivate the masses to participate in the emulative drive to score achievements to welcome the congress, and to encourage all to fulfill the tasks set forth by the congress.

In carrying out the propaganda work, efforts must be made to assert and commend achievements recorded in the economic, political, cultural, social, security, national defense, and diplomatic domains over the past 10 years of implementing the renovation process, especially the five years of implementing the Seventh National Party Congress's resolution. Efforts must also be made to point out shortcomings and weaknesses, review new factors and progressive models, cite experiences in resolving new problems; and assert the ideal objectives of socialism, Marxism-Leninism, and Ho Chi Minh thought. It is also necessary to point out the main orientations to advance toward socialism in Vietnam, and to criticize the distorted concepts against Marxism-Leninism, Ho Chi Minh thought, the socialist path, and the Communist Party leadership. The propaganda work must be carried out in close association with the program of action so as to bring about the concrete results. Efforts must be made to promote constructive ideas while listening to criticism. It is necessary to improve education on the communist ideal and social ethics in close association with promoting a healthy lifestyle while motivating the people to carry out activities to welcome the party congress and celebrate the new year and major anniversaries such as the party founding anniversary on 3 February, Uncle Ho's birthday on 19 May, the liberation of South Vietnam on 30 April, International Labor Day on 1 May, and so forth.

SRV: Do Muoi Addresses Youth Conference in Hanoi

BK1801093996 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 17 Jan 96

[FBIS Translated Text] On 15-16 January, the Central Committee of the Ho Chi Minh Communist Youth Union, the Central Committee of the Federation of the Vietnamese Youth Associations, and the Central Committee of the Vietnamese Student Association held a conference in Hanoi to study and contribute views to the draft documents of the eighth national party congress.

Comrade Dao Duy Tung, member of the Political Bureau and secretary of the party Central Committee introduced the basic contents of the draft documents and raised issues for youths to contribute their views on to the party.

On 16 January morning, all participants were honored and enthusiastic in receiving General Secretary Do Muoi at the conference. On behalf of the party Central Committee, the comrade general secretary hailed the great contributions of youth cadres and members to the common cause of the entire party, army, and people in the past. He also outlined requirements and duties for the Vietnamese youths on the new national stage.

SRV: Ho Chi Minh City Party Committee Convenes Conference

BK1001094196 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Jan 96

[FBIS Translated Text] Recently, the party congress steering body of the Ho Chi Minh [HCM] City party committee convened a conference to sum up the experiences in directing a grass-roots party organization congress pilot program before applying them on a large-scale basis in January 1996. The city party committee organized a workshop on the Eighth Party Congress draft political report and the draft report on amendments to the Party Statute for nearly 500 key precinct and district cadres. Precinct and district party committees will use these experiences in introducing the drafts of the Eighth Party Congress documents to party members in each group or bloc and solicit their views before conducting grass-roots organization party congresses.

SRV Paper Marks People's Army's Founding Anniversary

BK1801151096 Hanoi QUAN DOI NHAN DAN in Vietnamese 22 Dec 95 pp 1, 4

[Editorial: "Be Forever Worthy of Being an Army That Gains the Party's Trust and the People's Love."]

[FBIS Translated Text] Our people's army is 51 years old today.

We mark this glorious revolutionary anniversary and universal national defense day at a time when our people countrywide have fulfilled or overfulfilled the 1995 state plan, thus becoming a source of strong encouragement for our entire party, people, and army to accelerate the revolutionary emulation movement to welcome the Eighth Party Congress.

Looking back at more than half a century of difficulties and challenges as well as glorious achievements, our army is proud of its resounding victories, revolutionary nature, and glorious traditions. It deserves the trust and love of our entire party and people and is worthy of venerated Uncle Ho's commendations: "Our army is loyal to the party and faithful to the people. It stands ready to fight and sacrifice itself for the Fatherland's independence and freedom and for socialism and is able to fulfill all tasks, overcome all difficulties, and defeat all enemies."

We highly appreciate the trust and love of the party and people and also understand that the achievements and victories that our army has scored in the two wars of resistance in the past and in the cause of national defense and construction at present must be credited to the party's leadership, the state's concern, the assistance of our people of all walks of life, the loving care of the rear, and the aggregate strength of the overall political system.

The national renovation undertaking has scored great and praiseworthy achievements. We have five more years to go before entering the 21st century. As an immediate objective, we should make use of every practical condition to help our country enter a new stage of development. We understand that many difficulties, dangers, and challenges still lie ahead. Given that actual situation, our people's armed forces have new and heavy tasks to fulfill. First of all, our army must be firm and strong politically. It is necessary for our army to constantly develop its revolutionary nature and glorious traditions of absolute loyalty to socialist ideals, the party, and people. It is important to heighten vigilance, improve the sense of combat preparedness, and sharpen the determination to serve the people unconditionally and stand ready to crush the enemy's "peaceful evolution" strategy. Steps must be taken to make the army firm and strong in all domains and ready to engage in combat and production and join hands with the entire people in leading the renovation undertaking forward.

In 1995, our army has scored new achievements in the framework of a relentless and widespread determined-to-win emulation movement to mark major anniversaries. Progress has been noted in all areas of activities and in all units. Actual combat strength has markedly been improved from the grass-roots level upward. These are outstanding achievements and positive developments. Nonetheless, the requirements of the new situation call for even greater efforts on the part of each unit and the army as a whole. The progress made by many units was quick but not steady enough. Though steps have been taken to enhance everyone's sense of discipline and living conditions, no drastic improvements have been made yet. Frequent measures have been taken to help troops with their political awareness and combat preparedness but profound changes are yet to be noted. There still be a need to link training activities with actual combat situations... This reality calls for efforts on the part of all organizations, echelons, sectors, and inviduals. The decisive factor, however, rests with the contingent of cadres and party members. We understand very clearly that commanding and personnel management cadres must be the first to bear responsibility for slow progress, a poor sense of discipline, unsatisfactory internal unity or army-people solidarity, and inadequate concern for troops' living conditions. Again, we realize even more profoundly Uncle Ho's instructions on the role and responsibility of cadres for the enhancement of the internal unity or army-people solidarity among our units and troops.

To be always worthy of being a reliable instrument for the party, state, and people to materialize the cause of national defense and construction, ours must be a strong, revolutionary, regular, and well-seasoned people's army built upon gradual steps toward modernization.

The strength of the army can only be built upon a firm and steady sociopolitical foundation, a strong economy, and a firm and powerful universal national defense system. It is the political responsibility of our army to closely link economic development with national defense, combine national defense with security arrangements, build firm military units and well-guarded bivouacking areas, consolidate the rear, and promote public national defense awareness. This requires the close coordination among all agencies, localities, and units to create an aggregate strength for our army and people to deal with the new national situation.

Being a reliable tool of violence [coong cuj baoj luwcj] of the party and state and a key element of the people's warfare strategy and universal national defense system, our army is determined to uphold its fine nature and glorious traditions; show absolute loyalty to the party, state, people, and the national renovation undertaking; constantly participate in training; improve its strength in all domains; stand ready to outstandingly fulfill all tasks assigned by the party; and prove itself to be worthy of the care and trust of the entire party and people.

SRV Editorial on Topics for Grass-Roots Party Congresses

BK1901071896 Hanoi NHAN DAN in Vietnamese 27 Dec 95 pp. 1, 4

[Editorial: "Party Congresses of Grass-Roots Level Should Discuss Concrete and Practical Issues"]

[FBIS Translated Text] Party organizations at all levels will conduct their own congresses in the process leading up to the eighth Party National Congress [PNC]. Although the level of importance of the party congresses at various party levels differ, the party congresses of party organizations at the grassroots level play a very important role. This is the place where all party members directly contribute their opinions regarding PNC documents and also manifest their thorough comprehension of party positions and the application of party lines in real life. Proper guidance for the party congresses at the grassroots level, therefore, is an important responsibility of party committees at all levels.

The PNC draft documents comprehensively embrace all perspectives. It is the right and obligation of every party member to contribute an opinion regarding all of the documents. While doing so, however, party members need to adhere to the most important issues in the guidelines in order to be able to debate and raise opinions and petitions with regard to the most vital issues to the country and the party. We need to compare the documents with reality, develop freedom of thought, and exchange ideas openly to focus all of the party's prowess toward evaluating the situation, the opportunities, and the risks and to determine the direction, objectives, and measures to advance our country in the new period. Party lines have always stemmed from reality; therefore, opinions contributed from party members have special importance. They enhance the convincing power of the party documents as the directions and measures it contains are close to reality.

The party congresses of party organizations at the grassroots level should be able to work out their own path of advancement, as well as contribute suggestions to the higher provincial and city levels regarding the undertaking of industrialization and modernization of the country. Only by properly implementing the industrialization and modernization process along party lines will we be able to bring rapid and firm progress to our country, create employment, and continually improve the livelihood of the people.

The party congresses at the grassroots level, however, need to avoid general discussion and discuss concrete issues and work out concrete targets and measures that suit the respective units. The party organizations in rural areas should be able to work out a concrete direction for change to improve the economic mechanism renovation in the industrialization of the agriculture and rural sectors. Party organizations in enterprises should discuss concrete measures in business, trade, the improvement of product competitiveness, and the enhancement of capital efficiency. The party organizations of the administrative agencies need to discuss a concrete direction, target, and measures to serve the common goal of their respective units, as well as the country's industrialization and modernization undertaking.

Relations between economic development and the consolidation of national defense, the protection and development of special national characteristics and suppression of degraded culture and social vices, the practice of thrift, the eradication of hunger and poverty, and so forth, are the issues that require thorough discussion in party congresses at the grassroots level.

Party congresses at the grassroots level must be the place where the spirits of democracy, criticism, and self-criticism are demonstrated. Outstanding examples of units and individual members should be complimented, while indications of officialdom, wasteful spending, embezzlement, bribery, abuse of public funds, harassment of the people, smuggling, tax dodging, the decadent lifestyles of some party members, etc., must be openly criticized and opposed. Attention must be paid to negative indications and flaws in the areas of land management, capital construction, joint venture cooperation, imports-exports, management of public assets, social funds, etc., which are the fields where the people have been expressing many opinions. Party congresses should be able to work out rectifying or adjustment measures or to raise petitions for change in order to refine the structures and policies. A party member never takes advantage of flaws or gaps in structures and policies to seek individual profit and narrow interests or to violate the law.

During the process of inspecting implementation of party congresses at the grassroots level, Comrade General Secretary Do Muoi has paid special attention to the building of objectives for party organizations at the grassroots level, implementation of the industrialization process, guidance for proper implementation of the party's multisectorial economic development policy, and the building of new and diversified models of economic activities in order to consolidate the production relations in the new situation. He has also raised reminders about: the maintenance of a close relationship with the people; the relationship between economic development and care for the material and cultural life of the people; and concern for the welfare of people responsible for meritorious deeds, needy people, and people in difficult circumstances. This guidance needs to be thoroughly studied by the localities and sectors in the conduct of party congresses at the grassroots level, the success of which will be an important contribution to the success of the eighth PNC.

SRV Prime Minister Meets With State Corporation Executives

BK1801120996 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 17 Jan 96

[FBIS Translated Text] On 17 January, the prime minister held a meeting with chairmen of the management boards and general managers of corporations formed as a result of Decisions No. 90 and 91 issued on 7 March 1994 by the prime minister. He also met with corporations in Ho Chi Minh City before this particular meeting.

Over the past years, corporations in the north established and reorganized their production and management under the new structure. They exerted much effort to improve the production of and businesses such as coal, textiles, garment, electricity corporations. The representatives of many corporations raised many problems related to the formation and operation of corporations under the new structure. Examples are ties between the ministry and the corporation, between the general ministerial organs and specialized ministerial organs, between the management board and the general manager of a corporation, and between the corporation and its members, and so forth. The representatives of responsible ministries answered each question raised at the meeting.

At the prime minister's authorization, Deputy Prime Minister Tran Duc Luong heartily welcomed efforts by state enterprises to quickly stabilize organization, to accelerate production and businesses, thus concluding 1995 with encouraging results. This forms a fine platform for 1996, which is the first of the five-year 1996-2000 plan. He said the reorganization of state enterprises and the formation of strong corporations are still riddled with many problems. However, once an issue has been thoroughly discussed, resolute measures must be taken to tackle it. He stressed the quick transformation to the new management structure, adding that the government and related ministries will deal with problems that can be solved straightaway, especially those on organization, structure, policy, the formation of finance companies in corporations, and so forth.

At the same time, the deputy prime minister also proposed that all enterprises improve their activities and pay special attention to the role and activities of the management board.

SRV: Do Muoi Stresses Importance of Industrialization

BK2001144096 Hanoi Voice of Vietnam in English 1000 GMT 19 Jan 96

[From regular feature "Talk of the Week": First part of summary of Do Muoi's speech at conference with party officials in Hanoi; date not given]

[FBIS Transcribed Text] Localities and branches throughout the country are organizing local party meetings in preparation for the eighth national party congress being held in Hanoi in June. Party Leader Do Muoi convened a conference among party officials in Hanoi recently and instructed important activities to be carried out by party committees at different levels.

At the conference, the party leader assessed the socioeconomic situation over the past five years, [word indistinct] the resolution of the seventh party congress and ten years of renovation. He held it was a common evaluation of socioeconomic development among grassroots party committees. The GDP has been increased

In some villages, the GDP per capita reached $350-400. The movement for hunger eradication and poverty alleviation has been carried out effectively as has the movement to care for those who devoted much to the nation. Infrastructure has also been developed.

However, Party Leader Do Muoi said that job creation and increase of incomes of laboring people has achieved some progress, yet difficulties remain. A redundant segment of the labor force was still a common situation in almost all villages and precincts. And regrettably, this situations tended to increase. The party leader called on grassroots party committees to discuss and forecast measures to overcome this issue.

Regarding the process of industrialization and modernization, first of all the process of rural industrialization, Mr. Do Muoi said that the Communist Party of Vietnam has issued a number of resolutions and that the main content of the eighth national party congress will be industrialization and modernization. The draft document to be presented at the eighth national party congress stressed that the task set forth for the initial transition period in preparation for the industrialization has been fundamentally completed. He called on local party committees to discuss and work out measures to implement industrialization and modernization. This was primary the implementation of agricultural and rural industrialization in each locality. It was necessary to understand that without industrialization, sustainable economic development could not be assured, agriculture could not be developed effectively, and job creation and income increases could not be settled.

The party leader pointed to the necessity to encourage the potentials and power of each locality in implementing industrialization and modernization. Traditional handicraft industry should renew its technology and equipment to increase quality and efficiency with new patterns and outlets. Investing industrial enterprises should work out plans to restore, rehabilitate new technology and reorganize themselves. [sentence as heard]

SRV: Central Television Plans To Increase Broadcasting

BK2001093996 Hanoi VNA in English
1445 GMT 19 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 19 — Vietnam Central Television (VTV) has developed a plan to diversify its programmes and increase broadcasting in 1996.

VTV, in cooperation with local stations, has been focusing their programmes on national and local party congresses, and analysing the country's achievements and shortcomings over the past 10 years of renovation. To implement its political tasks VTV will increase its daily broadcasts. Vtv3 is scheduled to become a seperate channel as of April 1. In cooperation with movie producers, the culture, literature and arts programme is striving to raise the number of Vietnamese films to half of the total to be screened.

Vietnam Central Television has to date completed the VTV4 programming for foreign service, which was tested in 1995, hoping for it to go to air through satellite to neighbouring countries, Europe and America.

In terms of the material and technical basis, VTV is preparing for the construction of a new television station in Giang Vo in the third quarter of this year which is expected to be operational by early 2,000, completing a 135-metre-high TV tower project situated in Tay Ho precinct of Hanoi, as well as deploying air coverage for out-lying areas, and the installment of relay stations in remote regions to service ethnic minority people.

SRV Red River Agricultural Targets Set

BK2301150796 Hanoi VNA in English
1440 GMT 23 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan.23 — Vietnam possesses two large rice baskets, the Red River Delta in the north and the Mekong River Delta in the south, which are of special significance to the national strategy for agricultural development, said the minister of agriculture and rural development in a lengthy article today in the Communist Party newspaper NHAN DAN.

The Red River Delta has an arable area of about one million ha and a population of nearly 17 million people with 80 percent living from farming. The region is known as the most densely-populated area in the country with an average share of about 0.3 ha per household. The delta still remains a poor region, and witnessed a terrible famine which cost about two million lives in 1945.

With an average land share per capita of 600 m2, agricultural production in the region is characterised by a small-scale and self- sufficient economy although intensive farming and rotation cropping have been applied for years now. In some provinces, rice productivity has reached over 10 tons/ha/year, and the living standard of the local population has been remarkably improved. However, many farmers have faced many difficulties, requiring additional efforts to boost agricultural production in the whole region along the direction of a commodity economy.

To help the region thrive, attention should be focussed on the change in economic structure in order to reduce the number of agricultural cultivators and farmers as much as possible. At the same time, efforts should be stepped up to reduce the annual population growth rate and accelerate the industrialisation and modernisation process in the delta.

Food production still remains a top priority for the Red River Delta which, in any circumstance, has to be the main source of food for the local population. However, to ensure food security and social order in the region as well as in the whole of the north, the shortfall of hundreds of thousands tonnes of rice made up by the south every year.

Rice and maize are the two main-food-grains in the area. To raise rice output, investment will be pooled in the expansion of the irrigation network and application of new rice varieties. On the other hand, a programme to develop vegetables, flowers, fruits and ornamental trees is being widely conducted with the aim of making full use of the potential of the region.

In Vietnam now, vegetable consumption is only 65 kilos/person/year. The country is striving to obtain the target of 100 kilos/person/year. It is estimated that Northeast Asian and Southeast Asian markets import about USD 8.3 billion worth of vegetables every year, especially Japan and Hong Kong which together import as much as USD 6.8 billion in vegetables and fruits. This is why the development of vegetable and flower and fruits is of great concern in the region with a view to meeting the need for home consumption and export as well as generating more jobs for local people.

The minister also highlighted the demand for livestock breeding and aquaculture in the Red River Delta. He noted :

'Developing husbandry and aquaculture plays an important role in the shift of agricultural economic structure in the region. Demand for meat, eggs and milk by the local population is growing while foreign countries are seeking sources of these supplies from Vietnam in general and the Red River Delta in particular. Some regional provinces have increased the population of pigs, chicken for both eggs and meat, and cows for both milk and beef for some years now.'

Along with the renovation of the agricultural economic structure, it is necessary to renew the structure of the rural economy. Priority should be given to boosting development of traditional handicraft trades, rural industry, food and farm produce processing. On the other hand, more attention should be focussed on construction material production, engineering, sericulture and other traditional crafts in various villages. However, these production branches should be promoted on a small scale and with simple technological application creating more employment and income to the peasantry.

SRV National Meeting Addresses Fight Against Social Vices

BK1801081096 Hanoi VNA in English 0555 GMT 18 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 17—A national meeting was held here from Jan. 16-19 to work out measures to effectively implement government's decrees and instructions on strengthening the management of cultural activities and intensifying the fight against social vices.

The meeting was attended by representatives of Labour, War Invalid and Social Affairs and the Interiors Ministries, and relevant agencies and organizations.

The current renovation process and open-door policy in the country on the one hand have brought in remarkable political, and socio-economic achievements, and on the other hand resulted in the sharp increase of gambling, particularly prostitution, drug abuse and other vices.

According to the Labour and Social Affairs Ministry there are now in Vietnam some 185,000 drug addicts and 76,000 prostitutes.

Of 15 national programmes launched by the Vietnamese Government this year, eight focus on social problems such as drug addiction, prostitution, and the spread of AIDs.

The causes of the wide spread social evils in Vietnam over the recent past include high unemployment, particularly among the youth, and the negative impacts of the market economy. But the root cause of all is the lack of social and cultural activities by relevant authorities and agencies at both central and local levels. To solve the problem, the government in 1994 established committees for preventing and fighting social vices from central to grassroots levels, and mobilised concerned branches to take drastic measures to do away with negative phenomenona.

Over the past three years, 17,000 out of the total 20,000 ha under opium poppy crops of ethnic minority in highlands areas were eradicated. In addition, many cases of drug trafficking and abuse, and prostitution were treated by administrative punishments or imprisonment.

Community-based centres have been set up in various localities to give medical treatment and job-training to over 10,000 drug addicts and prostitutes to help them re-integrate themselves in the community.

In 1996, the government approved a fund of USD 16 million for preventing and fighting social vices. The fund will be used to promote the administration's control of the unhealthy activities of hotels, karaoke and massage parlors, and other entertainment places and generate jobs for the unemployed.

New Zealand

New Zealand Governor General Chided for 'Political Statements'

BK2301035896 Christchurch THE PRESS in English 18 Jan 96

[Editorial: "Dame Catherine's Views" — received via Internet]

[FBIS Transcribed Text] There is no mistaking what Dame Catherine Tizard, the Governor-General, said and no doubt that she breached an important constitutional tradition in saying it. In an interview with the magazine North and South, she said, among other things, that after the Muldoon era, "I could see that there was increasingly little to differentiate National and Labour". She also criticised the health reforms. Reflecting on what had happened to the Welfare State, she said that those who need and deserve State support are not getting it. These were not words that could be misinterpreted or a phrase or two that slipped inadvertently out. They amounted to overt political statements.

Plain speaking usually has much to commend it. Nor are the subjects addressed by Dame Catherine unworthy of discussion. Nevertheless, she breached the important principle that the Governor-General does not publicly comment in partisan terms on contentious political issues. Another six weeks, when she will have left office, and it would not matter. She could then say what she liked about any aspect of, for instance, the Government's policy; but while she holds office she should refrain from making public comment of the sort she did.

Dame Catherine's comment should be set in the context of her good and popular record as Governor-General, and neither the Government nor the opposition parties should make too much of it. She was wrong but she was not making mischief or deliberately using her position to try to influence voters. It seems she got carried away in an interview that concentrated on her personality.

The position of Governor-General is influential, both in private affairs of State and in public. The public words of the Governor- General are accorded a certain respect, and there is the potential for that person to have an effect on public opinion. The Governor-General represents all New Zealanders and needs to be seen as nonpartisan. Dame Catherine obviously considered afterwards that she had remained nonpartisan and her spokesman said that she was making a philosophical point and not criticising the Government. Nevertheless, her comments were as laden with politics as with philosophy and the Government correctly took exception.

A second reason why a Governor-General has to be careful is that he or she is appointed, not elected. He or she is not a politician. He or she represents the Queen and the Queen should not be embroiled in divisive politics.

A further reason is that the Governor-General is intimately involved in the affairs of the State and is consulted and informed by the Government of the day. Any Governor-General considered partisan would not be trusted and the whole process of government would be disrupted. In private with the senior members of the Government, the Governor-General might question the wisdom of legislation and doubtless has done so. What the Government — any Government — would object to, is a Governor-General entering the public political arena in contentious fashion.

The task of needing to say something in public but avoiding contention requires skill. No one wants the Governor-General to confine herself to fatuous comments or boring statements of the obvious. The position lends itself to nation-building, and some Governors-General have been very good at this; they have been lively and stimulating without being divisive and politically provocative.

If there is one lesson to be taken from Dame Catherine's blunder it is that constitutional conventions have a purpose and there should be no compromising of the principles at stake. That will become even more the case as New Zealand passes to an MMP [mixed member proportional] political system. After an election it might be unclear who should form a government. Even during a session of Parliament it might become clear that the Prime Minister does not command the confidence of Parliament. Should the Governor-General have a role in these circumstances? The role should not be greater than it is now. It should be Parliament that decides the fate of governments, not the Governor-General. The Governor-General will continue to have ceremonial duties but should have no powerful role in making or unmaking governments.

Several countries have constitutional practices which ensure that this happens. The practice should be enshrined in law or in standing orders before New Zealand holds its first election under MMP and all members of Parliament should support it — and the present Governor-General should give her ceremonial and opinionless assent.

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